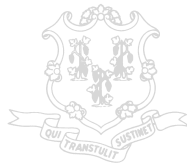


OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 11-48 — HB 6651**

*Emergency Certification*

**AN ACT IMPLEMENTING PROVISIONS OF THE BUDGET  
CONCERNING GENERAL GOVERNMENT**

**SUMMARY:** This act implements the 2012-2013 state budget and makes various unrelated changes in statutes and other 2011 public acts. The act's major budget implementation provisions include:

1. making the state's budget and financial statements conform to generally accepted accounting principles (GAAP) starting in FY 14;
2. establishing a procedure to amortize and pay off over 15 years the unreserved negative balances that have accumulated in state funds as a result of not applying GAAP in the past;
3. providing incentives for consolidating regions for state planning purposes;
4. establishing minimum budget requirements for FY 12 and FY 13 for towns receiving Education Cost Sharing (ECS) grants; and
5. increasing state grants to (a) districts enrolling students under the Open Choice Program and (b) state charter schools.

The act also revamps the structure of state government by, among other things:

1. merging nine "watchdog" agencies into a larger Office of Government Accountability to consolidate their administrative functions;
2. consolidating state economic development, workforce, tourism, and similar functions and agencies; and
3. reorganizing the state's higher education system and governance, consolidating the administration of all higher education constituent units, except the University of Connecticut, under a new Board of Regents for Higher Education.

Other major provisions:

1. reduce drivers' license suspensions for driving under the influence of alcohol or drugs and instead requires driver to install ignition interlock devices in their cars for a specified period;
2. restructure the process for handling "whistleblower" complaints, expand existing whistleblower protections, and establish new ones; and
3. modify many state election laws on campaign finance, the Citizens' Election Program, and the State Elections Enforcement Commission.

The act's changes are described in a section-by-section analysis below, except for §§ 2 and 4, which are technical and take effect on passage and July 1, 2011, respectively.

EFFECTIVE DATE: July 1, 2011, unless otherwise noted.

**§ 1 — MEDICAID EYEGLASS COVERAGE**

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PA 11-44 reduces Medicaid eyeglass coverage from one pair every year to one pair every other year. This act allows recipients to get one more pair during a two-year period if their health care provider determines it is necessary because of a change in medical condition.

## § 3 — BUDGET REDUCTION PLAN

The budget act (PA 11-6) requires the Office of Policy and Management (OPM) to recommend annual spending reductions in FY 12 and FY 13 of \$12 million for personal services and \$9.4 million for other expenses. This act instead requires the OPM secretary to monitor such spending to meet the specified reductions.

## § 5 — OPERATION FUEL

The act corrects a reference in PA 11-6 by transferring the annual FY 12 and FY 13 appropriations of \$100,000 for grants for Operation Fuel, Inc. from OPM to the Department of Energy and Environmental Protection (DEEP). Under PA 11-6 and PA 11-80, DEEP assumes OPM's energy-related powers and duties. The act also corrects a reference to the services that Operation Fuel, Inc. provides to include all emergency energy assistance, not just home cooling.

## §§ 6-9, 23-24, & 41 — FUNDS CARRIED FORWARD

The act carries forward various unspent balances from prior years' appropriations and requires them to be used for specified purposes in FY 12 or in both FY 12 and FY 13, rather than lapsing at the end of FY 11 (see Table 1).

**Table 1: Funds Carried Forward**

§	Agency	Purpose	Amount	To FY
6	Banking Dept.	Software upgrades	Up to \$100,000	2012
7	Banking Dept.	Software upgrades	Up to \$15,000	2012
8	Dept. of Motor Vehicles (DMV)	Roof replacement at Enfield office	Up to \$300,000 (Equipment)	2012 2013
9	DMV	Roof replacement at Enfield office	Up to \$100,000 (Other Expenses)	2012 2013
23	OPM	Connecticut Impaired Driving Records Information System (CIDRIS)*	Unspent balance	2012 2013
24	OPM	Criminal Justice Information System/Connecticut Information Sharing System account	Unspent balance	2012 2013
41	Dept. of Environmental Protection	Long Island Sound Assembly	\$75,000 \$75,000	2012 2013

\*The CIDRIS is the clearinghouse in OPM's Criminal Justice Information System for all arrests for operating under the influence that provides automated and electronic exchange of arrest data and documents among law enforcement, the departments of Public Safety and Motor

Vehicles, the Division of Criminal Justice, and the Judicial Branch Superior Court Operations.

## §§ 10 & 11 — BANKING FEES AND BANKING FUND

By law, Connecticut banks and credit unions must pay annual assessments, based on their asset size, to cover the Banking Department's expenses. Prior law required them to do so within 20 business days of the banking commissioner mailing notice of the amount due. The act instead requires payment by the date the commissioner specifies. As under prior law, the act imposes a \$200 fee on banks and credit unions that fail to pay the assessments on time.

PA 11-6 (§ 134) shifts, from the Banking Fund to the General Fund, revenue from fines, civil penalties, or restitution imposed by the banking commissioner or ordered by a court stemming from violations of the banking laws. This act also shifts from the Banking Fund to the General Fund:

1. such revenue from violations of the Uniform Securities Act or Business Opportunity Investment Act, other than specified penalties for willful violations, and
2. late fees received from banks or credit unions that fail to pay their assessments on time, as provided above.

PA 11-61 (§ 80) eliminates the shift from the Banking Fund to the General Fund of revenue from restitution for any such banking or securities law violations.

By law, anyone who violates any provision of the banking law for which no other penalty is provided faces fines of \$25 to \$1,000 for each offense. Anyone who does so willfully and deliberately faces up to a \$1,000 fine for each offense, up to a year's imprisonment, or both. PA 11-6 shifted revenue from such violations from the Banking Fund to the General Fund. This act returns the revenue to the Banking Fund.

The act also makes a technical change.

## §§ 12 & 13 — CCEDA EXECUTIVE DIRECTOR AND STAFF SUPPORT

The act (1) eliminates the requirement that the executive director of the Capital City Economic Development Authority (CCEDA) be an OPM staff member and that he or she act as the comptroller of the authority's projects, (2) requires the CCEDA board to appoint an executive director, and (3) exempts the person from the state's classified service.

By law, CCEDA and OPM can enter into a memorandum of understanding under which OPM provides staff support for the authority. The act eliminates a requirement that the memorandum provide for continuity of credited service of CCEDA employees hired by OPM.

## § 14 — STATE AGENCY INFORMATION AND TELECOMMUNICATIONS SYSTEMS

The act requires OPM to (1) develop and implement an integrated set of policies governing the use of information and telecommunications systems for state agencies and (2) develop comprehensive standards and planning guidelines

on the development, acquisition, implementation, oversight, and management of these systems for state agencies.

§ 15 — INTEREST EARNED ON THE SOLDIERS', SAILORS', AND MARINES' FUND

The act sets conditions under which certain General Fund appropriations made to the Soldiers', Sailors', and Marines' Fund (SSMF) must be paid back to the General Fund.

By law, if the SSMF's accumulated interest and appropriations cannot provide necessary benefits for wartime veterans in need, the Finance Advisory Committee may make appropriations from the General Fund to SSMF.

The act authorizes SSMF repayments to the General Fund when (1) interest earned on the SSMF principal exceeds its expenditures in any fiscal year and (2) there remains an outstanding balance in the total amount to be repaid to the General Fund from appropriations made on or after July 1, 2002, that were used for the fund's purposes (see BACKGROUND – *Soldiers', Sailors', and Marines' Fund*). It allows the comptroller to transfer interest earned on SSMF principal in any fiscal year when these conditions are met. The act explicitly prohibits such SSMF transfers to the General Fund for any other reason than to repay the cumulative balance appropriated from the General Fund to SSMF.

§ 16 — FUNDRAISING AND THE GOVERNOR'S HORSE GUARD'S FACILITIES

The act allows nonprofit organizations receiving contributions that support the Governor's Horse Guard to use the horse guard's Avon and Newtown facilities for fundraising purposes without charge, provided it does not interfere with the facilities' military use. By law, agricultural and other associations that receive state aid, and military organizations, may use state military facilities for a fee that is no more than it costs to maintain the facility while the association or organization uses it.

§§ 17 & 18 — WHISTLEBLOWER COMPLAINTS

The act restructures the process for investigating whistleblower complaints, expands existing whistleblower protections, and establishes new ones. In addition, it extends (1) the whistleblower protection from retaliation to employees who testify or provide assistance in any whistleblower complaint proceeding and (2) to each state agency and quasi-public agency, the requirement to post notice of whistleblower protections in a conspicuous place readily viewable by employees. This posting requirement already applied to large state contractors.

The act requires the auditors of public accounts and the attorney general to submit a joint report, by February 1, 2012, to the Legislative Program Review and Investigations Committee on any modifications made to their handling of whistleblower complaints. It also makes technical changes.

*Investigating Whistleblower Complaints*

By law, the auditors of public accounts initially review all whistleblower complaints and report any findings or recommendations to the attorney general, who investigates after consulting with the auditors. Under prior law, neither the auditors nor the attorney general had the authority to reject a complaint. The act allows the auditors to do so if they determine that:

1. a complainant has other available remedies that he or she could reasonably be expected to pursue;
2. another agency is better suited to investigate or enforce the complaint;
3. the complaint is trivial, frivolous, vexatious, or made in bad faith;
4. other complaints have greater priority in terms of serving the public good;
5. the complaint is not timely or has been delayed too long; or
6. the complaint could be more appropriately handled in an ongoing or scheduled regular audit.

If the auditors reject a complaint, they must submit a report to the attorney general setting out the basis for doing so. If at any time they determine that another state agency is better suited to investigate the complaint, they must refer it there. That agency must provide a status report on the referred complaint to the auditors upon their request.

*Reporting Retaliatory Actions*

*Rebuttable Presumption and Deadline for Filing Complaints.* By law, state officers, employees, and appointing authorities; officers and employees of quasi-public agencies; and large state contractors may not take or threaten to take any personnel action in retaliation for a whistleblower disclosure.

Under prior law, any negative personnel action against a whistleblower that occurred within one year after his or her initial report to the auditors of public accounts or the attorney general was presumed to be retaliatory. The presumption was rebuttable (i.e., an assumption that stands as fact unless contested and proven otherwise). An employee who believed he or she had been retaliated against had 30 days to file a complaint with the chief human rights referee at the Commission on Human Rights and Opportunities (CHRO). As an alternative, a state or quasi-public agency employee could file an appeal within the same period of time (1) with the Employees' Review Board or (2) according to the procedure specified in his or her collective bargaining agreement, if applicable. A large state contractor employee could bring a civil action after exhausting all administrative remedies.

The act extends the rebuttable presumption from one to two years after reporting misconduct. It also extends, from 30 to 90 days, the amount of time a whistleblower who believes he or she is a victim of retaliation has to file (1) a complaint with CHRO or (2) an appeal with the Employees' Review Board, if applicable.

*Attorney General.* Under prior law, a whistleblower could file a retaliation complaint with the attorney general. The attorney general investigated the complaint and reported any findings, but did not provide any relief (i.e., reinstatement or back pay) to a complainant. The act eliminates this provision.

*Amended Claims.* The act allows whistleblowers to amend complaints they

file with CHRO if additional retaliatory incidents occur. Under prior law, these complaints could include only the original retaliatory incident.

*Hearing Process.* By law, CHRO may issue subpoenas compelling the appearance of witnesses and production of evidence relevant to a proceeding. The act allows hearing officers to, without issuing a subpoena, order state and quasi-public agencies to produce for a proceeding (1) an employee to testify as a witness and (2) books, papers, or other documents relevant to the complaint. It allows hearing officers to consider the failure to produce a witness, books, papers, or documents within 30 days after the order as supporting evidence for the complainant.

The act prohibits agencies and contractors from retaliating against an employee who testifies in or provides assistance to (1) a CHRO hearing, (2) an Employees' Review Board hearing, or (3) a civil action on a whistleblower complaint.

#### *Internal Disclosures*

*Disclosures to State Agencies.* The act expands the rebuttable presumption to include retaliatory personnel actions for (1) internal disclosures and (2) testimony or assistance provided during a whistleblower proceeding. "Internal disclosures" are disclosures of information to (1) an employee of the state or quasi-public agency where the individual is employed; (2) an employee of a state contracting agency, in the case of a large state contractor; or (3) a state agency employee pursuant to a mandated reporter statute.

*Contracts.* The act makes a similar change concerning actions or threats to impede, cancel, or fail to renew contracts. By law, an agency, contractor, or subcontractor can bring a civil action in Hartford Superior Court if an officer or employee in a state or quasi-public agency, large state contractor, or appointing authority, whichever applies, takes or threatens to take an action to impede, cancel, or fail to renew a contract in retaliation for the report to the auditors or the attorney general. The act expands this protection to include (1) retaliation for internal disclosures from one employee to another within an agency or (2) any testimony or assistance with a proceeding.

The act also requires contracts between state or quasi-public agencies and large state contractors to protect employees' testimony and assistance, rather than only their initial reports to the auditors of public accounts or the attorney general. As under prior law, anyone who takes or threatens to take retaliatory action against an employee who makes an internal disclosure may be subject to a civil penalty of up to \$5,000 for each offense, up to a maximum of 20% of the contract's value. Each violation, and each calendar day that it continues, is a separate offense.

#### *Disclosures*

*Good Faith.* The act protects whistleblowers from civil liability for all good faith disclosures, not only those made in their report to the auditors of public accounts or the attorney general.

*False Charges.* By law, whistleblowers who knowingly and maliciously make

false charges are subject to disciplinary action up to and including dismissal by their employer. The act specifies that a finding of false charges may be made by the auditors, the attorney general, a human rights referee, or the Employees' Review Board.

EFFECTIVE DATE: October 1, 2011, except the joint report requirement is effective upon passage.

#### § 19 — MILEAGE REIMBURSEMENT

The act eliminates mileage reimbursements for both auditors of public accounts from July 1, 2011 through June 30, 2013. The auditors previously received \$0.51 per mile.

#### § 20 — DISPARITY STUDY

Within available appropriations, the act requires CHRO to conduct a disparity study in consultation with the Department of Administrative Services (DAS). The study must generate statistical data on the state's set-aside program (now called the supplier diversity program) to determine whether it is achieving the goal of helping small contractors and minority business enterprises (MBEs) obtain state contracts.

The study must at least examine:

1. whether there is significant evidence of past or continuing discrimination in the way that the state executes its contracting duties;
2. the number of small contractors or MBEs that qualify under the supplier diversity program and whether they are legitimate small contractors or legitimately owned by a minority; and
3. state contracting processes to determine if they present any unintentional barriers that prevent full participation by small contractors or MBEs.

By January 1, 2012, the CHRO executive director must submit the study's findings and any recommendations for legislative action concerning the study to the Government Administration and Elections Committee.

EFFECTIVE DATE: Upon passage

#### § 21 — STATE POLICE MAJORS

The act increases the maximum number of state police majors that the public safety commissioner may appoint by five (from seven to 12) and restores the position to a classified one. Prior law changed the position from classified to unclassified in 1999, but allowed any major who was then in the classified service to continue to serve as a classified employee until his or her service was terminated. The act abolishes the position of major in the unclassified service on July 1, 2011.

Under prior law, any permanent employee in the classified service appointed as major in the unclassified service could return to the classified service at his or her former rank. The act applies the provision to employees who accept the position before July 1, 2011, the date the position reverts to a classified one.

§ 22 — HIGHER EDUCATION AND CORE-CT

The act requires the constituent units of the state's higher education system to use their best efforts to work with the OPM secretary, DAS, and the comptroller to fully use the state's CORE-CT system for:

1. accounting processes and financial reporting that meet constitutional needs,
2. budget and financial reporting,
3. human resources and payroll reporting, and
4. starting to determine consistent classification and compensation for nonunion employees.

The constituent units are the University of Connecticut (UConn) and its branches, the Connecticut State University System (CSUS), the regional community-technical colleges (CTCs), and the Board for State Academic Awards (BSAA).

§§ 25 & 26 — MUNICIPALITIES' ABILITY TO ISSUE TEMPORARY MOTOR VEHICLE REGISTRATIONS

By law, the Department of Motor Vehicles (DMV) commissioner cannot renew the registration of a motor vehicle on which the owner owes property tax, or of any other vehicle the individual owns, until the municipality or taxing district notifies the commissioner that the owner has paid the back taxes. Municipalities also may take part in a program that bars the commissioner from issuing or renewing the registration of motor vehicles whose owners have failed to pay at least six municipal parking tickets.

The act authorizes municipalities, boroughs, and other taxing districts that notify the commissioner of these unpaid taxes or parking tickets to issue temporary motor vehicle registrations on the commissioner's behalf for passenger car owners who are denied registration but later fully pay the amount they owe. A participating town, borough, or taxing district must issue the temporary registrations as the law requires and retain the \$20 statutory fee for each 10-day registration, or portion of it. The act allows the commissioner to adopt implementing regulations.

§ 27 — DMV VISION SCREENING AND LICENSE RENEWALS

The act eliminates a vision screening program for people applying to renew a driver's license. Under prior law, the vision screening program was scheduled to begin July 1, 2011, and apply to every other renewal following an initial screening.

The act allows the DMV commissioner to renew licenses or non-driver ID cards without the license or card holder appearing in person if the applicant has a digital image on file with DMV and has met all other renewal requirements. Prior law required the applicant to appear at every other renewal.

The act also eliminates a requirement that the commissioner renew driver's licenses every four or six years on the driver's birthday, according to a schedule

the commissioner determines. The law, unchanged by the act, requires an original driver's license to expire within six years after the date of the driver's next birthday (CGS § 14-41 (b)).

#### § 28 — DMV DISCLOSURE OF E-MAIL ADDRESSES

By law, the DMV commissioner may not disclose personal information from motor vehicle records except in certain circumstances. The act adds electronic mail (e-mail) addresses to the types of information considered personal and thus not subject to disclosure unless one of the exceptions applies. By law, personal information also includes an individual's photograph or computerized image, Social Security number, driver's license number, name, address (other than zip code), telephone number, and medical or disability information. The unauthorized disclosure of personal information is a class A misdemeanor (see Table on Penalties).

#### § 29 — ELECTRONIC BUSINESS PORTAL

The act requires the secretary of the state's Commercial Recording Division to establish an electronic portal serving as a single entry point for businesses registering with the secretary. By law, all corporations, limited liability companies, limited liability partnerships, limited partnerships, and other types of businesses doing business in Connecticut must register with the secretary.

The portal must provide these entities with explanatory information and electronic links to other state agencies and organizations to help them (1) obtain necessary licenses and permits, (2) identify state taxes and other revenue responsibilities and benefits, and (3) find relevant state financial incentives and programs.

The act allows the secretary to provide other state and quasi-public agencies the information businesses submit when registering, but only for economic development, state revenue collection, and statistical purposes, as the law provides.

Besides providing registration and licensing information, the electronic business portal must provide electronic links to state and quasi-public agencies. These include the Workers' Compensation Commission; the departments of Economic and Community Development (DECD), Administrative Services (DAS), Consumer Protection, Environmental Protection (DEP), Labor (DOL), and Revenue Services; the Connecticut Development Authority (CDA); Connecticut Innovations, Inc (CII); Connecticut Licensing Information Center; and the Connecticut Small Business Development Center.

The act also requires the portal to include links to the U.S. Small Business Administration and the nonprofit Connecticut Economic Resource Center. (PA 11-61, § 102, adds the Connecticut Center for Advanced Technology to those state agencies to which the business portal must link.)

EFFECTIVE DATE: January 1, 2012

#### § 30 — STATE FUNDS DISTRIBUTION TASK FORCE

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The act creates a 10-member task force to study the distribution of the following state funds to municipalities:

1. payment in lieu of taxes for certain property taxes,
2. the Mashantucket Pequot and Mohegan Fund,
3. education equalization grants, and
4. public and nonpublic school transportation grants or reimbursements.

Under the act, the task force must evaluate the equity, efficiency, and continued viability of these funds' distribution and report its findings and recommendations to the Appropriations Committee by January 1, 2012. The task force terminates when it submits the report or January 1, 2012, whichever is later.

Under the act, the task force consists of:

1. one member each appointed by the House speaker, Senate president pro tempore, and House and Senate majority and minority leaders and
2. the Appropriations Committee chairpersons and ranking members.

The act requires the appointing authority to (1) appoint task force members, who may be other legislators, by July 13, 2011 and (2) fill any vacancy.

The House speaker and Senate president must select the task force chairpersons from among its members. The chairpersons must schedule the task force's first meeting no later than August 12, 2011. The Appropriations Committee's administrative staff serves as the task force's administrative staff.

EFFECTIVE DATE: Upon passage

### §§ 31-33 & 48 — THE GOVERNOR'S PROPOSED BUDGET

By law, in each odd-numbered year, the governor must send to the General Assembly a proposed budget for the ensuing biennium. The act eliminates requirements that the governor's budget include:

1. a list, for each budgeted agency, of all the agency's programs;
2. for each program, its (a) statutory authorization, (b) objectives, (c) description, including need, eligibility requirements, and any intergovernmental participation, (d) performance measures including an analysis of the program's workload, service quality, and effectiveness, (e) budget data broken down by major expenditure object and showing any additional federal and private funds, and (f) detailed information about its current and recommended permanent filled and vacant positions by fund; and
3. a statement of each agency's plans for energy conservation for the biennium and progress made in the last fiscal year.

In addition, the act eliminates the requirement that the governor submit the following information by program:

1. expenditures for the prior and current fiscal years;
2. each budgeted agency's budget request and the governor's recommended budget for each fiscal year of the biennium;
3. for each new or expanded program, estimated expenditures required for the fiscal year following the biennium;
4. an explanation of any significant program changes the agency requested or the governor recommends; and

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5. a summary of current, requested, and recommended permanent full-time filled and vacant positions for each year of the budget and for the most recently completed fiscal year.

Instead, it adds the first four of these items to the financial statements that must be included in summary form with the governor's message. The law already requires the governor to include the fifth item in these statements and in the detailed agency budgets. (PA 11-61, §§ 74 & 75, reinstates these program budget requirements.)

Finally, the act also eliminates requirements that (1) the governor's proposed appropriations bills include appropriations for each major program in each budgeted agency and (2) the proposed budget be split into four separate parts.

### §§ 34-36 — DIRECT DEPOSIT FOR STATE EMPLOYEES, STATE RETIREES, AND RETIRED TEACHERS

The act makes direct deposit the required payment method for state employees, retired state employees receiving pensions, and retired teachers receiving pensions from the Teachers Retirement System, unless they ask to be paid in a different manner. PA 11-61 (§§ 76 & 77) makes the provision requiring state employees to be paid via direct deposit effective upon passage and allows the comptroller to meet the requirement as soon as practicable.

### § 37 — STATE BOARD OF ACCOUNTANCY

The act places the State Board of Accountancy, formerly an independent board, within the Secretary of the State's office. The nine-member board, appointed by the governor, regulates the practice of public accountancy in the state.

### § 38 — NEWBORN SCREENING FOR SEVERE COMBINED IMMUNODEFICIENCY DISEASE

The act requires all health care institutions caring for newborn infants to test them for severe combined immunodeficiency disease (SCID), unless, as allowed by law, their parents object on religious grounds. It requires the testing to be done as soon as is medically appropriate. Like existing law that requires these institutions to test newborn infants for cystic fibrosis, the test for SCID is not part of the state's newborn screening program for genetic and metabolic disorders. That program, in addition to screening, directs parents of identified infants to counseling and treatment.

SCID is a group of rare, sometimes fatal, congenital disorders characterized by little or no immune response. A person with this disease has a defect in the specialized white blood cells that defend the body from infection by viruses, bacteria, and fungi. Because the immune system does not function properly, a person with SCID is susceptible to recurrent infections such as pneumonia, meningitis, and chicken pox, and can die within the first year of life.

EFFECTIVE DATE: October 1, 2011

§ 39 — NEWBORN SCREENING ACCOUNT

PA 11-6 increased, from \$800,000 to \$900,000, the amount of newborn screening fees that must be credited in FY 12 and FY 13 to the newborn screening account for upgrading newborn screening technology and testing expenses. This act increases the credited amount from \$900,000 to \$1,121,713.

§ 40 — TEACHERS' RETIREMENT BOARD

The act increases the membership of the Teachers' Retirement Board, from 12 to 14, and alters its composition. The board manages the Teachers' Retirement System (TRS). Under prior law, the board's 12 members were: the commissioners of social services and education, as non-voting ex officio members; three actively teaching TRS members; two retired TRS members; and five public members appointed by the governor.

The act removes the social services commissioner from the board and adds the state treasurer and the OPM secretary as ex officio members. It also makes the treasurer, OPM secretary, and education commissioner voting members.

The act also adds a fourth actively teaching TRS member to the board. This member cannot be from the same collective bargaining unit as any of the other TRS members on the board and must be (1) nominated by the actively teaching TRS members and (2) elected by all TRS members. He or she serves a four-year term on the board beginning July 1, 2011. By law, unchanged by the act, members serve without compensation, but are reimbursed for expenditures related to their service.

EFFECTIVE DATE: Upon passage

§ 42 — TRANSFERS FROM THE PROBATE COURT ADMINISTRATION FUND SURPLUS

PA 11-6 diverts funds from the Probate Court Administration Fund's FY 11 surplus to the Judicial Department's Court Support Services Division (CSSD) as follows:

1. \$500,000 in FY 12 for the Male Youth Leadership Pilot Program that provides services for high-risk males with low academic achievement in targeted communities;
2. \$1 million annually in FY 12 and FY 13 to the Kinship Fund and Grandparents and Relatives Respite Fund administered by the Children's Trust Fund Council in the Department of Social Services (DSS) through the probate court;
3. \$800,000 in FY 12 to the Children's Trust Fund, which coordinates efforts and funding designed to prevent child abuse and neglect; and
4. \$35,000 annually in FY 12 and FY 13 to support Children in Placement, Inc. expansion in Danbury.

This act increases, from \$35,000 to \$50,000, the amount to be transferred for Children in Placement, Inc. in each of the fiscal years and specifies that it be used for Other Expenses.

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It adds a transfer of \$50,000 from Judicial Department's Other Expenses in FY 12 and FY 13 for a grant to the Child Advocates of Connecticut for its services in Stamford and Danbury. (PA 11-61, § 100, changes these locations to the Stamford/Norwalk and Danbury judicial districts.) This agency has a contract with the Judicial Branch to help the court promote permanency planning for children.

(PA 11-61, § 100, adds another transfer of surplus funds and eliminates a provision that requires any Probate Court Administration Fund surplus remaining after all FY 13 transfers to go to the General Fund.)

EFFECTIVE DATE: Upon passage

### §§ 43-49 — USE OF GAAP IN STATE BUDGETING

#### *§§ 43 & 48 — Balanced Budget Requirement*

By law, the governor must propose, and the General Assembly must adopt, a biennial budget for the state that balances appropriations and estimated revenue.

Under prior law, if the governor's proposed biennial budget recommended state expenditures that exceeded the estimated revenue generated under existing law plus any estimated unappropriated surplus for the current fiscal year available in the next biennium, he had to include recommendations for funding the difference. In addition, in the state budget the General Assembly adopts, total net appropriations for each appropriated fund for each budget year had to equal revenue estimates for that appropriated fund and year adopted by the Finance, Revenue and Bonding Committee and included in the budget act.

Starting with FY 14, this act changes these balanced budget calculations to (1) exclude from the revenue side any estimated unappropriated current year surplus and (2) include on the expenditure side the amount needed to pay off the unreserved negative GAAP balance in any appropriated fund. The latter must be the amount reported in the comptroller's most recently audited comprehensive annual financial report issued before the start of the fiscal year.

#### *§ 44 — Comptroller's Annual Financial Report*

By law, the comptroller must submit an annual financial report to the governor that includes information on the state's financial condition at the close of the preceding fiscal year. The act changes the report's due date from September 1 to September 30 and requires the comptroller to prepare it in accordance with GAAP.

EFFECTIVE DATE: July 1, 2013

#### *§ 45 — GAAP Implementation Starting in FY 14*

Beginning in FY 14, the act allows the comptroller to start implementing GAAP to prepare and maintain the state's annual financial statements. It eliminates a requirement that he do so by making incremental changes in the statements consistent with GAAP. Also starting in FY 14, the act requires, rather than allows, the OPM secretary to start implementing GAAP in preparing the state's biennial budget.

It requires the comptroller to (1) establish an opening combined balance sheet for all appropriated funds based on GAAP as of July 1, 2013 and (2) aggregate and set up as a deferred charge on the combined balance sheet the accrued and unpaid expenses and liabilities and other adjustments as of June 30, 2013. Under the act, the state must pay off this deferred charge in equal annual increments over 15 years starting in FY 14.

The act eliminates the comptroller's and the OPM secretary's authority to concurrently prepare annual conversion plans for implementing GAAP and submit them to the Appropriations Committee when the governor submits the biennial budget and budget status report to the General Assembly.

*§ 46 — Use of Budget Surpluses to Pay Annual GAAP Increments*

Starting with FY 14, if the comptroller determines there is an unappropriated General Fund surplus at the end of any fiscal year, the act requires him to reserve the annual GAAP increment from that surplus before allocating it to other uses required by law. For FY 12 and FY 13, the comptroller must apply \$75 million and \$50 million, respectively, of any such surplus to any net increase in the unreserved negative General Fund balance for FY 11 before allocating the balance as otherwise required.

The act overrides laws requiring that any unappropriated General Fund surpluses (1) from FY 10 through FY 17 be first used to redeem outstanding economic recovery notes before they mature and then to reduce the state's obligations for economic recovery revenue bonds secured by electric ratepayer surcharges (PA 11-61 cancels the authorization for the economic recovery revenue bonds) and (2) in other years, be allocated according to the following priorities: (a) the Budget Reserve ("Rainy Day") Fund, (b) the State Employees Retirement Fund unfunded liability, and (c) reducing state bond debt.

EFFECTIVE DATE: Upon passage

*§ 47 — Definitions Relating to the OPM Secretary's Budget and Financial Management Responsibilities*

The act revises various definitions governing the OPM secretary's budgeting and financial management duties to incorporate GAAP accounting requirements. It:

1. defines the "budget" for FY 14 and thereafter as an estimate of proposed expenditures and revenue determined according to GAAP,
2. includes incurred liabilities as part of "expenditures," and
3. adds a definition of "modified accrual" to mean an accounting basis that recognizes (a) revenue when earned only if it is collectible within a period or soon enough thereafter to be used to pay liabilities for that period and (b) expenditures when they are incurred and would normally be liquidated.

*§ 49 — End-of-Year Balances*

The act gives the comptroller unlimited time to process end-of-year payments for obligations incurred under appropriations that are not continued from one fiscal year to the next from balances that would otherwise lapse. Prior law

extended the balance of such appropriations for one month into the next year to permit the comptroller to liquidate obligations incurred in the prior year. The act eliminates the one-month limit.

#### § 50 — VOLUNTARY REGIONAL CONSOLIDATION BONUS POOL

The act establishes a temporary Voluntary Regional Consolidation Bonus Pool program, which the OPM secretary administers, to provide a bonus payment to certain regional planning organizations (RPOs) that request consolidation into a redesignated planning region. The bonus payment is in addition to the annual payment each RPO receives under existing law. By law, an RPO is a regional planning agency (RPA), regional council of governments (COG), or regional council of elected officials (CEO).

The act provides an additional bonus payment to any two or more RPOs that:

1. vote to merge, forming a new regional COG or CEO within a proposed or newly redesignated planning region boundary and
2. submit a request for redesignation to the OPM secretary as authorized under existing law (see BACKGROUND – *Planning Regions*).

The act specifies that the OPM secretary must review and approve each proposed consolidation to determine it is an appropriate and sustainable redesignated planning region before issuing any bonus pool payment.

Under the act, OPM awards the payments in FY 12 and FY 13 on a first-come, first-served basis from any appropriation available for the bonus pool until exhausted for the fiscal year.

#### §§ 51- 57 & 307 — IGNITION INTERLOCKS

The act reduces the suspension period of a driver's license or nonresident's operating privilege for motorists convicted for a first or second time of driving under the influence of alcohol or drugs (DUI) to 45 days it requires, as a condition DMV of restoring a license, that offenders install a functioning, approved ignition interlock device on each vehicle they own or operate and drive only vehicles with such a device for specified periods of time. Prior law required use of an ignition interlock following a license suspension for a second offense, but not for a first offense (see Table 2). (By law, a driver's license is permanently revoked for a third DUI violation. See below.)

An ignition interlock requires a driver to breathe into it to operate the vehicle in which it is installed; it prevents a vehicle from starting if it detects blood alcohol content (BAC) above a certain threshold. The device also requires the driver to submit periodic breath samples while the vehicle is operating.

The act authorizes the DMV commissioner to extend the duration of ignition interlock restrictions for drivers who fail to comply with the device's installation or use requirements beyond those the act establishes. It requires her to adopt regulations specifying (1) which actions by an individual constitute noncompliance, (2) the conditions under which noncompliance will result in DMV extending the time period the individual must drive only vehicles equipped with ignition interlocks, and (3) the length of any such extension.

## OLR PUBLIC ACT SUMMARY

It requires the commissioner to allow an offender who has served the 45-day suspension and installed ignition interlocks on his or her vehicles to drive them even if he or she has not finished serving an “administrative per se” suspension (see BACKGROUND – *Administrative Per Se*).

It requires DMV and the Judicial Branch’s CSSD, by February 1, 2012, to jointly develop and submit to the Judiciary and Transportation committees a plan to implement the installation and use of ignition interlock devices for anyone convicted of DUI, starting January 1, 2014.

The act specifies that certain cost, supervision, installation, use, and other ignition interlock provisions apply only to motorists whose licenses are suspended for DUI convictions on or after January 1, 2012. But it allows the DMV commissioner, at the request of anyone convicted of DUI whose license is under suspension on that date, to reduce the suspension (presumably after the driver has served 45 days) and place a restriction on the license requiring that the motorist drive only a vehicle equipped with an ignition interlock device for the remainder of the suspension period.

Prior law required anyone whose license was suspended for DUI or for two or more administrative per se suspensions to take part in a DMV-approved substance abuse treatment program in order to have his or her license reinstated. The act eliminates this program. It also makes conforming changes. But by law, unchanged by the act, (1) a court may order a driver to take part in such a program and (2) the commissioner must consider participation in such a program, among other things, when deciding whether to restore a permanently revoked license (see below).

### *DUI Suspensions*

By law, motorists convicted of DUI are subject to imprisonment, a fine, and suspension of their driver’s licenses (see BACKGROUND – *DUI Convictions*). Table 2 shows the DUI suspension period penalties under prior law and the act.

**Table 2: License Suspensions under Prior Law and the Act**

<i>DUI Violation</i>	<i>Suspension under Prior Law</i>	<i>Suspension under the Act</i>
First	One year	45 days, followed by one year driving only a vehicle equipped with an ignition interlock device
Second (under age 21)	Three years or until driver turns 21, whichever is longer, followed by two years of driving only a vehicle equipped with an ignition interlock device	45 days or until driver turns 21, whichever is longer, followed by three years of driving only a vehicle equipped with an ignition interlock device
Second (age 21 or older)	One year, followed by two years of driving only a vehicle equipped with an ignition interlock device	45 days, followed by three years of driving only a vehicle equipped with an ignition interlock device

### *Costs of Installing Ignition Interlocks and Supervision of Offenders*

## OLR PUBLIC ACT SUMMARY

By law, an individual required to use an ignition interlock must pay to install and maintain it. The act prohibits a court from waiving the installation and maintenance fees or costs. By law, the individual must also pay a \$100 fee, which goes to an account used to administer the program.

The act places anyone required to install an ignition interlock device who is on probation under CSSD's supervision; it places all others under DMV supervision. In either case, they are subject to any terms and conditions the DMV commissioner may prescribe and any laws or regulations she adopts consistent with the act.

The act requires the commissioner to ensure that companies installing the devices notify her and CSSD when anyone required to use an ignition interlock fails to comply with its installation, maintenance, or use requirements. The commissioner is not required to verify that a device has been installed on each motor vehicle owned by the person convicted of DUI.

### *Restoration of a Revoked License*

The law allows someone whose driver's license has been permanently revoked following a third DUI conviction to request a reduction or reversal of the revocation of driving privileges after six years. By law, the commissioner may do this if she determines that doing so does not endanger public safety, certain requirements are met (including successfully completing an alcohol education and treatment program), and the person agrees to install and use an ignition interlock device. The act extends the time an ignition interlock device must remain in place in such circumstances. Under prior law, the device had to remain in place from the date the reversal or reduction was granted until 10 years passed from the date the license was revoked. The act instead requires that the ignition interlock remain in place for 10 years from the date the commissioner grants the reversal or reduction.

### *Penalties for Drivers Who Violate the Act*

The act increases penalties for violations of certain ignition interlock restrictions. Under prior law these violations were class C misdemeanors (see Table on Penalties). The act instead subjects an individual under a court order or subject to DMV's ignition interlock restrictions who drives a vehicle (1) not equipped with a functioning ignition interlock or (2) that a court has ordered him or her not to drive, to the same penalties the law imposes on people who drive while their license is suspended or revoked for DUI or certain other offenses.

These penalties are, for a first offender, a fine of between \$500 and \$1,000 and imprisonment for up to one year, with a 30-day mandatory minimum. A driver who, for the second time, is subject to and violates the act's suspension and ignition interlock restrictions faces a fine of between \$500 and \$1,000 and imprisonment for up to two years, with a 120-day mandatory minimum. A driver who, for a third or subsequent time, is subject to and violates the suspension and ignition interlock restrictions is subject to a fine of between \$500 and \$1,000 and imprisonment for up to three years, with a one-year mandatory minimum. In each case, the court is not required to impose the mandatory minimum sentence if there

are mitigating circumstances.

By law, unchanged by the act, anyone required to use an ignition interlock who (1) asks someone else to blow into the device to start a vehicle or (2) tampers with, bypasses, or alters the device, commits a class C misdemeanor (see Table on Penalties).

EFFECTIVE DATE: January 1, 2012, except for the provision requiring the joint report, which is effective upon passage.

## §§ 58-76 & 302 — OFFICE OF GOVERNMENT ACCOUNTABILITY

The act establishes an Office of Government Accountability (OGA), with an executive administrator as its head, to provide consolidated personnel, payroll, affirmative action, and administrative and business office functions, including information technology associated with these functions, for nine state agencies. It places the agencies in OGA, but retains their independent decision-making authority, including decisions on budgetary issues and employing necessary staff.

The agencies are the:

1. Office of State Ethics (OSE),
2. State Elections Enforcement Commission (SEEC),
3. Freedom of Information Commission (FOIC),
4. Judicial Review Council (JRC),
5. Judicial Selection Commission (JSC),
6. Board of Firearms Permit Examiners (BFPE),
7. Office of the Child Advocate (OCA),
8. Office of the Victim Advocate (OVA), and
9. State Contracting Standards Board (SCSB).

The act establishes a Government Accountability Commission (GAC) within OGA and makes it responsible for (1) recommending OGA executive administrator candidates to the governor and (2) terminating the executive administrator's employment, if necessary. It also makes technical changes.

In addition, the act (1) adds four legislative appointments to FOIC and (2) eliminates the OCA and OVA advisory committees and establishes new ones.

### § 59 — *Government Accountability Commission*

The nine-member GAC consists of the (1) chairpersons of the Citizen's Ethics Advisory Board, SEEC, FOIC, JSC, BFPE, and SCSB; (2) JRC executive director; (3) child advocate; and (4) victim advocate. Members may appoint a designee to serve on the commission. They must select a chairperson to preside at commission meetings.

The commission is not considered an executive branch commission and thus, is not subject to provisions requiring that (1) public members comprise at least one-third of the membership and (2) terms be coterminous with the governor, among other things.

### §§ 58-67, 69, 71, & 74-76 — *OGA Structure*

The act merges and consolidates within OGA the nine agencies' personnel,

payroll, affirmative action, administrative and business office functions, including information technology associated with these functions. (“Business office functions” generally include budgeting, accounts payable, accounts receivable, purchasing, grant management, central accounting, delinquent accounts, or asset management.) To accomplish this, the act:

1. places OSE, FOIC, SEEC, JSC, and JRC within OGA;
2. transfers BFPE from the Department of Public Safety for administrative purposes only to OGA;
3. eliminates SCSB’s status as an independent executive branch body and places it within OGA; and
4. transfers OVA and OCA from DAS for administrative purposes only to OGA.

Under prior law, the executive directors of OSE, FOIC, and SEEC transmitted their agency’s expenditure estimates to OPM. The act instead requires OGA’s executive administrator to transmit these estimates. Existing law, unchanged by the act, prohibits the governor from reducing their allotments.

§ 59 — *Executive Administrator*. By August 1, 2011, the GAC must give the governor a list of at least three candidates for the initial executive administrator appointee; by September 1, 2011, the governor must make the appointment. If the GAC does not forward the candidate list by the August deadline, then on or after August 2, 2011, the governor must appoint an acting executive administrator to serve until a successor is appointed and confirmed.

The appointee must be qualified by training and experience to perform the office’s administrative duties. He or she serves a four-year term or until a successor is appointed and qualifies, and may be reappointed. The appointment is subject to confirmation by either house of the General Assembly.

If the executive administrator position becomes vacant, the GAC must meet to consider and interview successor candidates. No later than 60 days after the vacancy occurs, it must submit to the governor a list of five to seven of the most outstanding candidates, ranked by preference. No later than eight weeks after receiving the list, the governor must designate an executive administrator candidate. If that candidate withdraws from consideration prior to confirmation, the governor must designate another from among those remaining on the list.

If the governor does not make a designation within eight weeks of receiving the list, the first-ranked candidate receives the designation and is referred to either legislative chamber for confirmation. If that chamber is not in session, the designated candidate serves as acting executive administrator until the chamber takes action on the appointment. The acting executive administrator receives compensation and has all the powers and privileges of the executive administrator.

The GAC is responsible for terminating the executive administrator’s employment, if necessary.

§ 58 — *Other Staff*. The act authorizes the executive administrator to employ necessary staff, within available appropriations, to carry out OGA’s administrative functions. It places the staff in classified service.

§ 60 — *Merger Plan and Report*. By November 1, 2011, the executive

administrator must develop and implement a plan for OGA to merge and provide the personnel, payroll, affirmative action, administrative and business office functions, and information technology associated with these functions, for the nine agencies.

By January 2, 2012, the executive administrator must submit a report to the Appropriations, Government Administrations and Elections, Judiciary, Children's, Public Safety, and Human Services committees on (1) the merger's status and (2) any recommendations for further legislative action concerning the merger, including recommendations to further consolidate and merge the nine agencies' functions (e.g., best use of staff, redundancy elimination, and cross-training staff to perform functions across the nine agencies).

The executive administrator must submit the report in conjunction with the (1) executive directors of OSE, SEEC, FOIC, and JRC, or their designees; (2) chairperson of JSC, BFPE, and SCSB, or their designees; and (3) child advocate or victim advocate, or their designees.

#### *§ 62 — FOIC Membership*

FOIC formerly consisted of five members whom the governor appoints and either chamber confirms for four-year terms. No more than three members may be from the same political party.

The act adds four commission members appointed by the Senate president, House speaker, Senate minority leader, and House minority leader on or after July 1, 2011, for two-year terms. Thereafter, no more than five members may be from the same political party. The act requires the appointing authority to fill any vacancy for the remainder of the term.

#### *§§ 68-71 & 302 — Advocate Advisory Committees*

The act eliminates the OVA and OCA advisory committees and replaces them with new ones. Under prior law, the OVA and OCA advisory committees were composed of 12 and six members, respectively. For both committees, members served five-year terms and had to meet three times a year. They reviewed and assessed the policies and activities of their respective offices, provided annual assessments of the offices' effectiveness, and suggested successor candidates to the governor upon a vacancy in the advocate position.

The act re-establishes OVA and OCA advisory committees, both with seven members. The governor and six legislative leaders each appoint one member. Each committee's purpose is to prepare and submit to the governor a list of candidates for victim advocate or child advocate, respectively, upon a vacancy in either position. As under prior law, the respective committee must meet to consider and interview successor candidates and submit a list of between five and seven individuals, ranked in order of preference, for appointment. Within eight weeks, the governor must designate a candidate from among the choices on the list or the first-ranked choice receives the designation and is referred to the General Assembly for confirmation. The act specifies that the victim advocate candidate list is confidential and not subject to disclosure.

Members serve five-year terms beginning July 1 in the year of their

appointment, and may be reappointed. Initial appointments must be made no later than September 1, 2011. Each committee must select a chairperson to preside at its meetings. Any vacancy is filled by the appointing authority for the remainder of the term.

The act prohibits advisory committee members from being communicator lobbyists who lobby on behalf of any entity or agency subject to review, evaluation, or monitoring by the respective advocate office. It similarly prohibits members from being volunteers for, board members of, or employed by any such entity or agency.

*§§ 69 & 71 — Advocates' Annual Reports*

The act requires OVA and OCA to each submit the annual report required by law to their respective advisory committee, as well as the Judiciary Committee. OCA must also submit its report to the Children's and Human Services committees. The act eliminates the requirement that they submit these reports to the entire General Assembly but retains the requirement for submission to the governor.

*§§ 77 & 80-97 — OFFICE OF WORKFORCE COMPETITIVENESS*

*Status*

Under prior law, the Office of Workforce Competitiveness (OWC) was within OPM for administrative purposes only. The act transfers OWC to DOL, making it an administrative unit of DOL. Under the act, any OWC orders or regulations continue in force and effect until amended, repealed, or superseded. If these orders or regulations conflict with DOL's, the commissioner may implement policies and procedures consistent with the act while in the process of adopting them in regulation.

*Functions and Duties*

The act assigns most of OWC's functions and duties to DOL, explicitly requiring the department to administer them with OWC's help. The assigned functions and duties are:

1. serving as the governor's principal workforce development policy advisor and liaison with local, state, and federal workforce development agencies;
2. serving as the lead state agency for developing employment and training strategies and initiatives needed to support Connecticut's position in the knowledge economy;
3. annually, starting by October 1, 2012, forecasting workforce needs and recommending ways to meet them;
4. reviewing, evaluating, and recommending improvements to the certification and degree programs the vocational-technical schools and the community-technical colleges offer and developing strategies linking education skill standards to business and industry training and employment needs; and
5. creating, by October 1, 2012, an integrated system of statewide advisory

committees for each career cluster offered as part of the regional vocational-technical school and community-technical college systems.

The act retains the requirement for OWC to participate in a working group to define preservice and minimum training requirements and competencies for people involved in early childhood education.

The act relieves OWC of the responsibility to:

1. prepare reports on economic and workforce trends, but requires DOL to perform these duties and functions;
2. receive performance reports from the vocational-technical schools;
3. serve on the Blue Ribbon Commission preparing the master plan for higher education; and
4. assist DECD when it prepares the five-year economic strategy.

The act also transfers the task of receiving workforce development performance reports from OWC to DOL.

#### *Programs and Committees Transferred to DOL*

The act requires OWC to continue administering the Film Industry Workforce Training Program, but with the labor commissioner's approval. OWC must continue to develop guidelines for participating in the program, which, under the act it must do so by September 30, 2012 with the commissioner's approval. OWC must continue submitting annual status reports on the program to the Connecticut Employment Commission and the Commerce and Higher Education and Employment Advancement committees, but the act also requires OWC to submit them to the labor commissioner.

The act authorizes OWC to continue running the pilot program giving parents access to training to develop the skills needed to get and keep jobs.

The act transfers the Connecticut Career Choices program to DOL, which must administer it with OWC's help. The program stimulates and develops high school students' interest and skills in science, technology, engineering, and math.

#### *Program Transferred to DECD*

The act transfers to DECD several OWC grant programs preparing college students for careers in research and development and encouraging colleges and universities to collaborate with businesses on research projects.

The act also appears to transfer the Innovation Challenge Grant from OWC to DECD. It directs the DECD commissioner to chair the council that advised OWC, under prior law, about awarding grants.

#### *OWC Boards, Committees, and Commissions*

The act transfers several OWC committees and commissions to DOL, including the:

1. Connecticut Career Ladder Advisory Committee, whose members the labor commissioner must select based on OWC's recommendations;
2. Connecticut Employment and Training Commission;
3. Adult Literacy Leadership Board, which the DOL commissioner must maintain with OWC's help;

4. Council of Advisors on Strategies for the Knowledge Economy; and
5. industry advisory committees for career clusters within the regional vocational-technical schools and regional community-technical college systems.

*Status Report*

The act requires the labor commissioner to report on the status of the merger between OWC and DOL and recommend any necessary legislation regarding the merger. The commissioner must submit the report by January 2, 2012 to the Appropriations and Labor committees.

§§ 78 & 79, 98-122, 125-132, & 136-173 — CONNECTICUT COMMISSION ON CULTURE & TOURISM

*Culture and Tourism Advisory Committee*

The act eliminates the Connecticut Commission on Culture and Tourism (CCCT) and transfers its powers, duties, and programs to DECD. It reconstitutes the 28-member commission as the Culture and Tourism Advisory Committee (CTAC), but retains its existing makeup. It also requires the DECD commissioner to provide administrative assistance to CTAC.

The act replaces the CCCT executive director with the CTAC chairperson on several committees. Under the act, the chairperson or a committee member serves on the:

1. State Commission on Capitol Preservation and Restoration,
2. Connecticut Capitol Center Commission,
3. Sports Advisory Board,
4. State Museum of Art Advisory Committee,
5. Advisory Panel on Accepting Art Work,
6. Face of Connecticut Steering Committee,
7. Quinebaug and Shetucket Rivers Heritage Corridor Advisory Council, and
8. Committee for the Restoration of Historic Assets.

The act requires the CTAC executive director to serve on the Baldwin Museum Advisory Committee, but CTAC has no executive director.

Under the act, the CTAC chairperson assumes CCCT's former role in preparing the state's five-year strategic economic development plan. Under prior law, CCCT was one of several agencies the DECD commissioner had to consult when preparing the plan.

The act transfers to DECD CCCT's authority to appoint a state poet laureate. The act specifies that DECD must make this appointment with CTAC's recommendations.

*Transferred Powers, Duties, and Functions*

*General.* The act transfers to DECD CCCT's general powers, duties, and functions. These include:

1. marketing and promoting the state's tourist attractions,
2. promoting the arts,

3. preserving historic resources,
4. promoting Connecticut as a place to produce digital media and films, and
5. establishing a uniform financial reporting system for the state's three regional tourism districts.

In transferring CCCT's powers and functions to DECD, the act specifies that any orders or regulations under which CCCT exercises those powers and duties continue until amended, repealed, or superseded. If these orders or regulations conflict with DECD's, the commissioner may implement policies and procedures consistent with the statutes while adopting policies and procedures in regulation.

*Tourism-Related Powers, Duties, and Functions.* The act transfers CCCT's tourism-related powers, duties, and functions to DECD. These include:

1. preparing a strategic plan to promote tourism and develop new tourism-related products and services;
2. maintaining and operating the visitor welcome centers;
3. administering grants promoting and supporting tourism, the arts, and historic preservation;
4. identifying and marking historic properties;
5. issuing permits for archaeological digs, developing procedures for inventorying Native American burial sites, and advising other agencies about specified archaeological matters;
6. administering tax credits for rehabilitating historic properties and community investment funds for historic preservation activities; and
7. selecting art for public works projects.

*Budget and Planning Duties.* The act also transfers CCCT's budget and planning duties to DECD. It transfers CCCT's duty to review and approve regional tourism district budgets and develop guidelines concerning the regional tourism districts' administrative costs. But it does not do so until December 31, 2011, six months after the start of FY 12. Under the act, the districts must annually submit their budgets to DECD for approval beginning June 1, 2011 and may spend funds under that budget only after DECD approves it.

The act also transfers CCCT's duty to prepare the two-year strategic plan for implementing the culture and tourism-related statutory functions to DECD. Under the act, the commissioner must submit the plan to the governor and legislature by January 1, 2012. The act also requires the commissioner to evenly distribute funding within available appropriations to the three regional tourism districts.

Under prior law, CCCT also submitted an annual culture and tourism budget to OPM, a duty the act eliminates.

#### *Transferred Services and Programs*

*General.* The transfer of CCCT's powers and duties to DECD includes many services and programs CCCT administered under prior law. The transferred services include supporting the state welcome centers, administering the state art collection, helping agencies include works of art in public works projects, designating the state poet laureate and troubadour, and regulating activities at archeological sites. Lastly, the transfer includes specific tasks and functions specified in the statutory procedure for creating historic districts.

## OLR PUBLIC ACT SUMMARY

The transferred programs include programs providing grants and loans to public and private organizations for promoting arts and culture, restoring historic assets, acquiring historic property, and providing tax credits for rehabilitating such property. As discussed below, the transfer also includes the program providing tax credits for rehabilitating such property.

*Historic Preservation.* Although the act transfers the historic preservation tax credit programs from CCCT to DECD, it requires the State Historic Preservation Officer (SHPO) to perform specific technical tasks. These include developing rehabilitation standards, certifying whether rehabilitation plans meet those standards, and reviewing documents developers must submit showing that they rehabilitated the property according to those plans.

The act relocates the 12-member Historic Preservation Council from CCCT to DECD.

### *Status Report*

The act requires the DECD commissioner to report on the status of the merger between CCCT and DECD and recommend any necessary legislation regarding the merger. She must submit the report by January 2, 2012 to the Appropriations and Commerce committees.

EFFECTIVE DATE: July 1, 2011. The changes in the historic preservation tax credits apply to income years beginning on or after January 1, 2011.

## § 102 — REGIONAL TOURISM DISTRICTS

The act requires the state's three regional tourism districts to adopt charters and bylaws to govern their operations.

## §§ 123, 124, & 303 — ECONOMIC DEVELOPMENT AGENCY BOARDS

The act makes the DECD commissioner the chairperson of the boards of CDA and CII, the state's two quasi-public economic development agencies. Under prior law, the commissioner was an ex officio member of both boards and the governor appointed their chairpersons, with the legislature's advice and consent. (PA 11-140 also makes the commissioner the chairperson of the CDA and Connecticut Housing Finance Authority (CHFA) boards.)

The act also eliminates the 21-member Connecticut Competitiveness Council, which PA 10-75 established to promote the state's industry clusters.

## §§ 115 & 120-122 — HISTORIC PRESERVATION TAX CREDITS EXPANSION

### *Overview*

The law authorizes business tax credits for investing money in restoring certified historic homes and nonresidential property. Developers qualify for these credits under separate programs based on the property's current use (e.g., commercial or industrial) and the intended reuse (e.g., residential or mixed residential and nonresidential).

## OLR PUBLIC ACT SUMMARY

The act expands the range of eligible property and eligible reuses under the programs for restoring nonresidential historic property. It transfers the programs to DECD and assigns specific technical tasks to the SHPO, who is appointed or designated by the governor under federal law.

### *Credits for Converting Nonresidential Property to Residential Uses*

Prior law authorized tax credits for converting certified historic commercial and industrial property to residential uses. The act extends the range of credit-eligible property to certified historic cultural buildings; institutional property; former municipal, state, and federal property; and residential buildings with five or more units.

### *Credits for Converting Nonresidential Historic Property to Mixed Residential and Nonresidential Uses*

Prior law authorized tax credits for converting certified historic commercial and industrial property into property that houses both residences and stores, offices, or other business uses. The act expands the range of projects eligible for such credits.

It expands the range of eligible property to cultural buildings; institutional property; mixed residential and nonresidential property; and former municipal, state, and federal property. Under prior law, the property had to be owned by people, businesses, or nonprofit organizations. Under the act, the property must be owned by these entities or municipalities.

The act extends the range of eligible reuses. Under prior law, the historic property had to be converted into a structure that housed residences and businesses, with the residences comprising at least 33% of the structure. The act additionally allows the credit on property to be rehabilitated for business use only. And, for property being converted for both residential and business uses (e.g., multistory buildings with stores and shops on the ground floor and apartments on the upper floors), the act eliminates the requirement that the residential portion comprise at least 33% of the property.

### *Procedural Changes*

The act also changes two procedural requirements for awarding historic restoration grants. Under prior law, before CCCT could approve a grant application, the applicant had to (1) prepare a covenant guaranteeing that the historic structure or landmark would be preserved forever or for a CCCT-approved period and (2) file the covenant with the clerk of the municipality where the property was located. The act instead requires the applicant to file the covenant before DECD awards the grant under the agreement.

The act also changes another prerequisite an applicant must meet before a grant application can be approved. Under prior law, CCCT could not approve a proposed project in a local historic district unless it was first approved by the municipality's historic district commission. Under the act, the project must be approved by the municipality's historic preservation department instead.

EFFECTIVE DATE: July 1, 2011 and applicable to tax years beginning on or

after January 1, 2011.

## §§ 133-135 — DOCUMENT RECORDING FEE

### *Fee Increase Permanent*

The act makes permanent a \$10 increase (from \$30 to \$40) in the land use document recording fee previously scheduled to expire July 1, 2011. The law imposes the fee to fund historic preservation, affordable housing, open space preservation, and agricultural programs and specifies how the fee revenue must be allocated among these purposes.

In making the fee permanent, the act requires municipalities to remit \$36 of each \$40 fee to the state and retain \$4, as prior law required.

### *Grant Distribution Formula*

PA 09-229, which temporarily increased the fee, changed the schedule for allocating the revenue, and expanded the list of agricultural programs to include grants to milk producers. These changes were effective until July 1, 2011. PA 09-3, JSS, made additional temporary changes. It changed the distribution schedule for the agricultural programs and earmarked funds for more programs. These were also effective until July 1, 2011.

The act changes the schedule for allocating the fee revenue, makes permanent the distributions for most of the activities authorized under PA 09-3, JSS, and extends funding to more activities. It credits \$10 of each fee to the agricultural sustainability account, established to help dairy farmers when milk prices fall below the level needed to sustain dairy operations (i.e., minimum sustainable monthly production cost).

The law sets that level at 82% of the baseline the U.S. Agriculture Department determines as the monthly average cost of producing milk in New England. If that baseline is unavailable, the act requires the agriculture commissioner to set the baseline based on data and variables the U.S. agriculture secretary publishes.

After crediting \$10 of each \$40 fee for milk grants beginning July 1, 2011, the act requires the remaining revenue to be apportioned equally to DECD (formerly to CCCT), CHFA, DEP, and the Department of Agriculture (DOAg). These agencies received equal shares of the fee revenue before PA 09-229 temporarily increased DOAg's share to 40% and reduced the share for the other agencies to 20% each. This distribution schedule was effective until July 1, 2011.

Prior law specified how DOAg should allocate its share of the fee revenue. As Table 3 shows, the act changes the allocation schedule, adding and eliminating programs and adjusting allocation amounts.

**Table 3: Land Use Recording Fee Allocations for Agriculture Programs**

<i>Program</i>	<i>Quarterly Allocation Under Prior Law</i>	<i>Annual Allocation Under the Act</i>
Agricultural Viability Grant Program	\$125,000	\$500,000
Farm Transition Program	125,000	500,000

## OLR PUBLIC ACT SUMMARY

Encouraging the Sale of Connecticut-Grown Food	100,000	100,000
Connecticut Farm Link Program	18,750	75,000
Urban Oaks Organic Farm	12,500	0
Seafood Advisory Council	11,875	47,500
Connecticut Farm Wine Development Council	11,875	47,500
Connecticut Food Policy Council	6,250	25,000
Agricultural Sustainability Program	Remaining Balance	0
Other DOAg Farmland Preservation Programs	0	Remaining Balance

### §§ 174-182 — CAPS ON EDUCATION GRANTS

The act continues existing caps on certain state education formula grants to school districts and regional education service centers (RESCs) for two more fiscal years, through June 30, 2013. The caps require grants to be proportionately reduced if their state budget appropriations do not cover the full amounts required by the statutory formulas. The caps apply to state reimbursements for:

1. health services for private school students;
2. transportation for public and private school students;
3. adult education;
4. bilingual education programs;
5. RESC operations;
6. special education costs and excess costs, other than such grants for state-placed students for whom no financially responsible district can be identified (“no-nexus students”); and
7. excess regular education costs for state-placed children educated by local and regional boards of education.

### § 183 — INTERDISTRICT MAGNET SCHOOL PER-PUPIL GRANTS

The act freezes state per-pupil operating grants for certain interdistrict magnet schools at the FY 11 level for two years, through FY 13.

For magnet schools that help the state meet the requirements of the *Sheff v. O’Neill* settlement (“*Sheff* magnets”), the act freezes per-pupil grants at:

1. \$13,054 for each student from outside Hartford who attends a school run by the Hartford school district (“Hartford host magnets”) and
2. \$10,443 per pupil for those run by RESCs or other entities (“RESC magnets”) that enroll less than 60% of their students from Hartford.

For host magnet schools run by school districts other than Hartford, the act freezes per-pupil operating grants at \$6,730 for each enrolled student from outside the host town. The grant for each student who lives in the host town remains at \$3,000, as under prior law.

### § 184 — TUITION AT HARTFORD HOST MAGNETS

The act extends for an additional two years, through the 2012-13 school year,

the existing prohibition against Hartford host magnets charging tuition to districts sending students to those schools.

§ 185 — UNIFORM SCHOOL CALENDAR & REGIONAL TRANSPORTATION STUDIES

The act requires the RESC Alliance to study the feasibility of implementing a uniform school calendar and regional school transportation services. It must report its findings and recommendations to the governor by October 15, 2011. The RESC Alliance is an organization of the state's six regional education service centers.

§ 186 — PLAN TO INTEGRATE CHILD DAY CARE AND SCHOOL READINESS SERVICES

The act requires the education commissioner, in consultation with the social services commissioner, to develop a plan to integrate the child day care and school readiness services offered as part of the school readiness program and report to the governor by July 1, 2012. The plans must address eligibility, slot rates, and program requirements. (PA 11-61, § 144, changes the required plan in several ways, including requiring it to maintain the integrity of the state-contracted childcare center program.)

§ 187 — EXCESS CHILD CARE FUNDS

Instead of lapsing, the act requires any unused funds appropriated for FY 12 to the State Department of Education (SDE) for child care services to continue to be available for school readiness programs in FY 13. It requires the excess funds to be distributed according to statutory requirements for distributing school readiness funds.

By law, priority and former priority school districts are eligible for school readiness program grants from SDE to provide spaces for children in accredited school readiness programs. When there are unexpended grant funds, the commissioner may distribute the excess money in a competitive grant program for eligible districts and, if there is still money unexpended, use it for a variety of purposes including: (1) assisting local school readiness programs in meeting accreditation, (2) providing training for student assessments, (3) developing best practices for parents in supporting preschool learning, and (4) other purposes.

§ 188 — OPEN CHOICE PROGRAM

*Grants to Receiving Districts*

Starting in FY 12, and within available appropriations, the act increases maximum state grants to school districts that enroll students from other districts under the Open Choice interdistrict school attendance program. It increases maximum grants to these receiving districts from a flat \$2,500 for each out-of-district student to:

## OLR PUBLIC ACT SUMMARY

1. \$3,000 per out-of-district student for districts where Open Choice students are less than 2% of the district's total student population,
2. \$4,000 per out-of-district student for districts with 2% to 3% Open Choice enrollment, and
3. \$6,000 per out-of-district student for districts with Open Choice enrollment of 3% or more of total enrollment.

### *Supplemental Grants*

The act changes, from October 15 to March 1, the date by which the education commissioner must annually determine whether Open Choice enrollment is below the number for which funds were appropriated.

By law, when student enrollment in Open Choice is below the number for which funds are appropriated, the excess funds do not lapse but remain available for supplemental grants to receiving districts. Under the act, as under prior law, the commissioner must use the first \$500,000 of any excess funds for supplemental grants to districts that have at least 10 Open Choice students attending the same school.

The act allocates the next \$500,000 of any nonlapsing funds to supplemental pro rata grants to receiving districts that report to the commissioner before March 1 that they have enrolled more Open Choice students than they did the year before. Finally, it requires the education commissioner to use any remaining excess funds to increase Open Choice enrollment instead of for interdistrict cooperative grants, as under prior law.

### *Private School Students*

The act allows students who have been enrolled in private school to participate in the Open Choice program. Under prior law, only students enrolled in public school could do so.

## § 189 — TASK FORCE TO STUDY THE ECS FORMULA AND OTHER SCHOOL FINANCE ISSUES

The act establishes a 12-member task force to study the Education Cost Sharing (ECS) formula and related issues in light of state constitutional requirements. Although the task force must focus on the ECS formula, it must also consider (1) state grants to interdistrict magnet schools and regional agricultural science and technology (vo-ag) centers and (2) special education costs for the state and municipalities.

By July 13, 2011, the governor must appoint six and the six legislative leaders one each of the task force members, who may include legislators. The governor selects one co-chairperson from the executive appointees and the House speaker and Senate president pro tempore jointly select the other from among the legislative appointees. The chairpersons must schedule the first meeting, which must be held by August 13, 2011. The Education Committee administrative staff serves as the task force's administrative staff.

The task force must submit an initial report on its findings and

recommendations by January 2, 2012 and its final report by October 1, 2012. Both reports go to the governor and the Education and Appropriations committees. The task force terminates when it submits its final report or on October 1, 2012, whichever is later.

EFFECTIVE DATE: Upon passage

## § 190 — MINIMUM BUDGET REQUIREMENT

By law, towns receiving state ECS grants must budget at least a minimum amount for education each fiscal year. A town that fails to meet this minimum budget requirement (MBR) is subject to a penalty of twice the amount of the shortfall.

For FY 12 and FY 13, unless their enrollment has fallen (see below), this act requires towns to budget the same amount for education as they budgeted in the previous fiscal year. For FY 12, towns must budget at least the amount they budgeted in FY 11 plus any reduction made to offset federal money paid directly to their boards of education under the 2009 federal stimulus act. For FY 13, towns must budget the same amount for education as they do in FY 12.

### *Districts with Falling Enrollment*

Unless its school district has failed to meet specified academic achievement criteria (see below), the act allows a town whose school district has fewer students enrolled in FY 12 or FY 13 than in the previous year to reduce its MBR for those fiscal years by \$3,000 times the enrollment reduction. But the total reduction for each year is limited to 0.5% of the prior year's budget appropriation.

To qualify to reduce its MBR for FY 12, a district must have fewer students in the 2011-12 school year than it had in 2010-11. An FY 13 MBR reduction may similarly reflect a drop in enrollment in 2012-13 compared to 2011-12. Thus, for example, if a district had 800 students enrolled in 2010-11 and 790 students in 2011-12, it could reduce its minimum FY 12 education appropriation by \$30,000 (\$3,000 x 10) or 0.5% of its FY 11 appropriation, whichever is less, and still meet its MBR for FY 12. (PA 11-234 also extends the same MBR reduction option to towns without high schools that (1) pay tuition for their students to attend high school in other towns and (2) have fewer such students than in the previous year.)

### *Districts In Need of Improvement for at Least Three Years*

The act bars a town from reducing its MBR in FY 12 or FY 13, even in the face of falling enrollment, if its school district is in the third year or more of being identified as "in need of improvement" under the state's education accountability law, and has also either:

1. failed, on the whole district level, to make adequate yearly progress (AYP), as determined under the federal No Child Left Behind Act (NCLB), in reading or math or
2. achieved AYP in reading or math only through the "safe harbor" provisions of the federal law.

But, under the act, the education commissioner may allow such a district to

reduce its MBR if it permanently closes a school because of falling enrollment (see below).

The federal law allows districts to reach “safe harbor” and avoid corrective action for failing to make AYP if they show an increase of at least 10% in the number of students in identifiable subgroups (minority students, students with disabilities, and students with limited English) achieving academic proficiency and meet certain other criteria (see BACKGROUND – “*Safe Harbor*” Under the *No Child Left Behind Act*).

Because a school district is identified as “in need of improvement” for the first time only after it has failed to make AYP for two years in a row, a district reaches its third year of being identified only after it has failed to make AYP for five consecutive years.

(PA 11-234 expands the types of districts that are barred from reducing their MBRs to also include districts that (1) have been designated as in need of improvement and (2) have poverty rates greater than 10% for school-aged children.)

#### *Districts that Close Schools*

If a school district permanently closes one or more schools because of falling enrollment in FYs 11, 12, or 13, the act gives the education commissioner authority to permit its town to reduce its MBR for FY 12 or FY 13. Instead of the \$3,000 per student or 0.5% limits applicable to other situations, the act requires the commissioner to determine the permissible reduction in such a case.

Under the act, the commissioner’s MBR reduction authority applies to any school district, including one designated for three or more years as needing improvement and meeting the criteria described above. But, PA 11-234 subsequently eliminated the commissioner’s authority to allow reductions for such districts.

### § 191 — STUDY OF THE VOCATIONAL-TECHNICAL SCHOOL SYSTEM

The act establishes a 15-member task force, appointed by the governor and legislative leaders and representing various organizations and others, to study the finances, management, and enrollment structure of the vocational-technical (V-T) school system. The study must provide a cost-benefit analysis of (1) maintaining and strengthening the existing system; (2) developing stronger articulation agreements between the V-T schools and community colleges; (3) transferring control of schools to RESCs, local or regional school districts, or community colleges; and (4) maintaining or transferring V-T adult programs. It must also consider what effect maintaining the existing system or transferring control would have on the system’s facilities, equipment, and personnel.

The task force members are the OPM secretary, the education and DECD commissioners, and the community-technical college system chancellor, or their designees, and the appointees shown in Table 4 below.

**Table 4: Vocational-Technical School System Task Force**

# OLR PUBLIC ACT SUMMARY

<b>Appointing Authority</b>	<b>Number of Members</b>	<b>Representation or Other Qualification</b>
Governor	1	Regional workforce investment board
Senate president pro tempore	2	<ul style="list-style-type: none"> <li>Connecticut Education Association</li> <li>Chief executive of a small manufacturer</li> </ul>
House speaker	2	<ul style="list-style-type: none"> <li>American Federation of Teachers-Connecticut</li> <li>Person with experience in a trade offered at, alumnus of, or educator at the V-T schools</li> </ul>
Senate majority leader	1	RESC Alliance
House majority leader	1	Mayor or first selectman of a town with a V-T school
Senate minority leader	1	Connecticut Association of Boards of Education
House minority leader	1	Connecticut Association of Public School Superintendents
Education Committee co-chairs	2	Public

(PA 11-61 requires the governor to appoint an additional member who is a parent of a student enrolled at a V-T school.)

All appointments must be made by July 13, 2011. The OPM secretary or the secretary's designee chairs the task force and must schedule the first meeting to be held by August 13, 2011. SDE's administrative staff provides the task force's administrative staff.

The task force must report its recommendations to the governor and the Education Committee by January 15, 2012. It terminates on that date or when it submits its report, whichever is later.

EFFECTIVE DATE: Upon passage

## §§ 192 & 193 — EQUALIZED NET GRAND LIST ADJUSTMENT

The law requires the OPM secretary to compute each town's equalized net grand list (ENGL) annually. ENGL is an estimate of the market value of a town's taxable real and personal property, equalized to reflect taxation at 100% of fair market value. ENGL is a factor in state distribution formulas for various wealth-based grants to municipalities, including ECS grants, reimbursements for local school construction projects, and Mashantucket Pequot and Mohegan grants.

This act requires OPM to adjust its ENGL calculation for towns opting to phase in an increase in assessed values for real property after a revaluation. Prior law required OPM to base ENGL calculations for all towns on a 70% ratio of assessments to fair market value. Because phase-ins exclude part of a town's taxable net grand list from the ENGL calculation, use of the 70% ratio in such cases temporarily distorts town wealth rankings and grant distribution formulas.

The act also requires towns implementing a revaluation phase-in to continue to submit annual data on real property transfers to OPM. Under prior law, no town

had to submit such data in the assessment year a revaluation became effective.

EFFECTIVE DATE: Upon passage

§ 194 — FUNDS FOR STATE SCHOOL READINESS PROGRAM ADMINISTRATION

The act extends, through FY 13, SDE's authority to retain \$198,200 of the priority school district school readiness grant appropriation for coordination, program evaluation, and administration. Under prior law, this administrative set-aside expired on June 30, 2011.

EFFECTIVE DATE: Upon passage

§ 195 — FUND TRANSFERS TO IMPLEMENT THE *SHEFF* SETTLEMENT

The act gives the education commissioner authority to transfer funds appropriated for the *Sheff* settlement to (1) the V-T schools for programming and (2) grants for (a) interdistrict cooperative programs, (b) state charter schools, (c) the Open Choice program, and (d) interdistrict magnet schools.

EFFECTIVE DATE: Upon passage

§§ 196 & 210 — *SHEFF* MAGNET SCHOOL TRANSPORTATION GRANTS

By law, magnet school operators that transport students to interdistrict magnet schools in a town other than the town where the students live are eligible to receive a grant for the cost of that transportation. For most school districts, such grants are limited to \$1,400 per student. But, for districts transporting such students to help meet *Sheff* goals, as determined by the education commissioner, the limit for FY 11 is \$2,000 per student. The act extends these higher *Sheff* transportation grants for two more years, through June 30, 2013.

For FY 11, the act also allows the education commissioner, within available appropriations, to provide supplemental transportation grants to RESCs to transport students to *Sheff* interdistrict magnet schools. Grants are payable only after a comprehensive financial review of all transportation activities as prescribed by the commissioner. In addition, the commissioner may require a RESC to provide an independent financial review to be paid for out of the supplemental grant.

Under the act, up to 75% of the supplemental grant is payable by June 30, 2011 with the balance paid by September 1, 2011, on completion of the comprehensive financial review.

EFFECTIVE DATE: July 1, 2011 for the extension of the higher *Sheff* transportation grant for districts; upon passage for the supplemental grants for RESCs.

§ 197 — MAGNET SCHOOL DIVERSITY REQUIREMENTS

The act allows an interdistrict magnet school that is not in compliance with the state magnet school minority enrollment requirements because of changes in the federal racial and ethnic reporting requirements to maintain its status as an

interdistrict magnet school under state law and remain eligible for magnet school operating grants, if it submits a compliance plan to the education commissioner that he approves. Under the act, noncompliance is based on student information data schools submit to the state public school information system on or before October 1 in 2011 and 2012.

The changes in the federal racial and ethnic reporting requirements are those described in the *Federal Register* of October 19, 2007.

The act requires SDE to submit to the Education Committee, by January 1, 2013, its recommendations to amend the statutory racial minority enrollment requirements for interdistrict magnet schools to conform with changes in the federal law. The plan must reflect the regional demographics of the interdistrict magnet schools and the diverse racial, ethnic, and socio-economic needs of the student populations attending them.

EFFECTIVE DATE: Upon passage

#### § 198 — STATE SCHOOL BREAKFAST GRANTS

The act makes more schools eligible for state school breakfast grants by making schools eligible if at least 20%, rather than 40%, of the lunches they serve are served free or for reduced prices. The prior 40% threshold is fixed in federal law, which the prior law incorporates by reference (Child Nutrition Act of 1966, as amended). The act places the 20% criterion in state law and makes conforming changes.

#### § 199 — FUNDS FOR THE RIVER ACADEMY

The act (1) carries forward \$405,000 of an FY 11 appropriation to the SDE for Magnet School Administration and \$405,000 of an FY 11 appropriation to SDE for Charter Schools; (2) transfers both amounts to the *Sheff* settlement; and (3) makes them available for developing magnet school programs at the River Academy at Goodwin College in East Hartford during FY 12 and FY 13, respectively.

#### § 200 — CHARTER SCHOOL GRANT INCREASE

The act increases the state grant for students attending state charter schools from \$9,300 to \$9,400 per student per year, starting with FY 12.

#### § 201 — SUPPLEMENTAL PRIORITY SCHOOL DISTRICT GRANT TO LARGEST DISTRICTS

For FY 12 and FY 13, the act extends the existing allocation of \$2,610,798 in supplemental priority school district (PSD) grants to the three largest school districts (Bridgeport, Hartford, and New Haven). By law, the State Board of Education (SBE) must distribute shares of these supplemental funds to each district in proportion to its regular PSD grant. The money is in addition to all other PSD grants the districts receive.

§ 202 — VO-AG EDUCATION CENTER TUITION FREEZE

The act extends the existing \$9,687 foundation for the ECS formula for one year, from FY 12 to FY 13. This does not affect town ECS grants, which are specified in PA 11-6, but because the per-student tuition that local or regional school districts operating vo-ag centers may charge sending districts is based on a percentage of the ECS foundation amount, the act effectively freezes the maximum tuition a center can charge for an additional year.

§ 203 — VO-AG EDUCATION CENTER GRANTS

The act requires SDE to allocate, for FYs 12 and 13, \$500,000 for grants to local and regional school districts operating vo-ag education centers. The money must be used for the following statutory grants: (1) \$500 per student for vo-ag centers with more than 150 out-of-district students attending the program, (2) a four-year phase-out grant for vo-ag centers that no longer serve more than 150 out-of-district students, and (3) \$60 per student for vo-ag centers that do not qualify under (1) or (2).

By law, if there are remaining funds after these grants are made, excess funding must be distributed as follows: \$100 per student and, if there are remaining funds, proportionate amounts to districts whose vo-ag centers enroll more than 150 out-of-district students, based on their relative numbers of out-of-district students in excess of 150.

§§ 204 & 205 — COLLEGE TRANSITION PILOT PROGRAMS

The act requires the education commissioner, in consultation with the higher education commissioner, to establish two college transition pilot programs. One is an adult education program in three municipalities and the respective community colleges located in them. The adult education programs and colleges are (1) New Haven and Gateway Community College, (2) Manchester and Manchester Community College, and (3) Meriden and Middlesex Community College (which has a facility in Meriden). The other is separate from and in addition to the New Haven component of the other program and is at Hillhouse High School in New Haven and Gateway Community College. The programs must operate within existing budgetary resources or by applying for available federal, state, or private funding.

The adult education college transition pilot program must offer college preparatory classes to adults who (1) have a high school diploma or its equivalent and (2) require intensive postsecondary developmental education that will enable them to enroll directly, upon completing the pilot program, in a higher education institution program that awards college credit. The Hillhouse-Gateway program is the same except it is for high school students who have not yet gotten a high school diploma or equivalent.

The education and higher education commissioners must report to the Education and Higher Education and Employment Advancement committees by October 1, 2012 on the results of the pilot programs.

## OLR PUBLIC ACT SUMMARY

The reports, at a minimum, must include:

1. the number, ages, and educational history of the participating adults and high school students;
2. the dates each participated in the pilot;
3. the subject matter in which participants required developmental education;
4. a description of the college preparatory classes that were offered through the pilot;
5. participants' level of improvement in each subject in which the participant required developmental education;
6. the results of participants' college placement exams and the dates they were taken;
7. whether any participants applied for acceptance to, enrolled in, or registered for a higher learning program at a higher education institution before or after completing the pilot, and a description of the higher learning program; and
8. the cost of offering college preparatory classes through the pilot compared to offering the equivalent or similar secondary or postsecondary developmental education classes at an institution of higher education in this state.

### §§ 206 & 207 — NEIGHBORHOOD YOUTH CENTER AND LEAP PROGRAMS

The act transfers the administration of the neighborhood youth center and the Leadership, Education, and Athletics in Partnership (LEAP) grant programs from OPM to SDE. It requires SDE rather than OPM to solicit competitive proposals for neighborhood youth center grants and convene an advisory committee to help review grant applications. It eliminates the OPM representative from the committee.

The neighborhood youth center grant supports neighborhood centers for youths between ages 12 and 17 in Bridgeport, Hartford, New Britain, New Haven, Norwalk, Stamford, and Waterbury. The LEAP Program is a model mentoring program operating in New Haven. It matches children, ages 7-14, from high poverty urban neighborhoods with trained high school and college student counselors to help children develop academic skills and self-esteem, improve their ability to succeed in school, and be involved in their community.

### § 208 — CAPITOL SCHOLARSHIP GRANT PROGRAM

The act places a moratorium for FY 12 and FY 13 on new students receiving financial assistance under the Capitol Scholarship grant program, while students who received grants in FY 11 continue to receive assistance. The act requires grants to be proportionately reduced if total program grants exceed the program's budgeted appropriation.

Capitol Scholarship grants are available to state residents who have not received a bachelor's degree and have been accepted at a postsecondary school, technical institute, college, or university in Connecticut, or in any other state that

allows its students to bring state student financial assistance funds into Connecticut. Grant awards are based on academic performance and financial need. Maximum grants are \$3,000 per year for those attending in-state institutions and \$500 per year for those going out-of-state.

#### § 209 — STATE LIBRARY OPERATING GRANTS

For FY 12 and FY 13, the act continues to suspend a requirement that, for a public library to receive a state library operating grant, its annual tax levy or appropriation not be reduced below the average amount for the three fiscal years immediately preceding the grant year. The requirement was also suspended for FY 10 and FY 11 under prior law.

#### §§ 211-227 & 230 — BOARD OF REGENTS FOR HIGHER EDUCATION

The act reorganizes the state system of higher education by establishing a 19-member (including 15 voting members) Board of Regents for Higher Education (BOR) to serve as the governing body for the Connecticut State University System (CSUS), the community-technical colleges (CTC), and Charter Oak State College. It allows the board to appoint and remove staff responsible for its own operation and that of these constituent units. BOR replaces the existing CSUS and CTC boards of trustees and the Board of State Academic Awards (BSAA), which governs Charter Oak. The act maintains UConn's board of trustees and makes changes to the budget process for UConn and the other constituent units.

The act eliminates the Board of Governors of Higher Education (BGHE) and the Department of Higher Education (DHE) and places DHE staff within (1) the BOR and (2) the newly established Office of Financial and Academic Affairs for Higher Education (OFAAHE), which is within BOR for administrative purposes only. It also makes technical and conforming changes.

#### *Membership*

Under the act, BOR has 15 voting members. The governor appoints nine members to staggered six-year terms; the House speaker, Senate president pro tempore, and House and Senate minority leaders each appoint one member to a staggered four-year term; and the chairperson and vice-chairperson of the newly created student advisory committee (see *Student Advisory Committee* below) serve two-year terms. The governor appoints the board's chairperson to a three-year term in that position while the board elects a vice-chairperson and other officers.

The appointed members are subject to legislative confirmation, but the act allows the initial members to begin serving immediately upon appointment. Voting members may not be members of, or employed by, UConn's board of trustees or an independent institution's board of trustees. Additionally, the economic and community development, education, labor, and public health commissioners serve as ex-officio, nonvoting members. (By law, the economic and community development and education commissioners are voting members of UConn's board of trustees.) Table 5 shows the board's membership.

**Table 5: Board of Regents Membership**

<b>Appointing Authority</b>	<b>Number</b>	<b>Term Length</b>	<b>Other Requirements</b>
Governor	9	6 years	3 of the members have an initial 2-year term and 3 have an initial 4-year term
House speaker*	1	4 years	A specialist in K-12 education
Senate president pro tempore	1	4 years	A CTC alumnus
House minority leader	1	4 years	A Charter Oak alumnus; initial appointment is for three years
Senate minority leader*	1	4 years	A CSUS alumnus; initial appointment is for three years
Student Advisory Committee	2	2 years	The committee's chairperson and vice-chairperson serve on the BOR. One must be from CSUS and one from CTC.
Ex-officio, nonvoting members	4	N/A	Economic and community development, education, labor, and public health commissioners

\*(PA 11-61, § 106, reverses the House speaker's and Senate minority leader's appointments (but not the lengths of the initial terms) so that the House speaker appoints a CSUS alumnus and the Senate minority leader appoints a specialist in K-12 education.)

### *Duties*

The act makes BOR the governing body for CSUS, CTC, and Charter Oak State College. BOR is not a successor agency to the existing boards of trustees. Rather, the act states that, beginning January 1, 2012 (see *Transition Period* below), BOR serves as the CSUS and CTC boards of trustees as well as the BSAA and assumes their existing powers and duties for the operation of the constituent units. Thus, while the act maintains numerous references to the respective boards of trustees and the BSAA, BOR, acting as the respective boards, must perform their functions.

The act requires BOR to establish terms and conditions for employing staff, prescribing their duties, and fixing the compensation of professional and technical personnel. It allows the board to appoint and remove (1) a chief executive for each institution in its jurisdiction and (2) executive staff for the respective constituent units. Under prior law, the constituent unit boards performed these duties.

The act eliminates the CSUS and CTC chancellor positions but requires BOR, upon the president's recommendation, to appoint two vice presidents to serve as BOR liaisons to CSUS and CTC, respectively. The act also transfers to BOR DHE's authority for approving new academic programs in public institutions (see below).

(PA 11-61, § 137, requires that (1) there be a BOR vice president for each constituent unit and (2) their duties be prescribed by BOR and the BOR president.

Those duties must include oversight of academic programs, student support services, and institutional support.)

#### *BOR President*

The act establishes the position of president of the Board of Regents and requires the governor to appoint an interim initial president. Beginning January 1, 2012, BOR must recommend, and the governor appoint, the president, whose term is coterminus with the governor's and who is subject to legislative confirmation.

The president (1) is responsible for implementing the board's policies and directives; (2) directs the board's executive staff (which the act authorizes him or her to hire); and (3) administers, coordinates, and supervises the board's activities. Additionally, the president must:

1. build interdependent support and facilitate cooperation and synergy among CSUS, CTC, and Charter Oak;
2. balance central authority with institutional differentiation, autonomy, and creativity; and
3. implement a strategic master plan for higher education.

#### *Budgeting*

Under prior law, BGHE prepared a single consolidated public higher education budget request. The act instead requires BOR to prepare a consolidated request only for those constituent units under its jurisdiction (i.e., not for UConn) but maintains existing law's requirement that appropriations be made directly to the constituent units rather than as a single appropriation to BOR. It requires UConn to submit its budget request directly to OPM. Additionally, the act allows the Appropriations Committee 30 days, rather than 10 as under prior law, to approve or reject higher education allotment reductions exceeding 5%.

#### *UConn*

The act does not transfer many BGHE duties concerning UConn to BOR. For example, prior law required UConn's board of trustees to (1) establish policies and fulfill its duties in conformance with BGHE guidelines and (2) submit its budget request to BGHE. The act eliminates these requirements. However, among other things, it (1) transfers to BOR responsibility for approving new UConn degree programs and (2) requires UConn to submit a quarterly report to OPM through BOR on the actual expenditures of the UConn and UConn Health Center operating funds.

#### *Student Advisory Committee*

The act establishes a student advisory committee (SAC) to BOR consisting of one student representative from each BOR institution (a total of 17 members), elected by their respective student government organizations for two-year terms. The act specifies that a student's membership on the committee terminates if he or she ceases to be a student in good standing, in which case a successor is elected to

serve the remainder of the term.

The act requires the SAC, on a rotating basis among its members, to determine its chairperson and vice-chairperson by consensus voting. One of two must be a CSUS student and the other a CTC student. The chairperson and vice-chairperson serve as voting members of the BOR. The SAC replaces the standing advisory committee to BGHE, which had consisted of trustees, faculty, staff, and students from various higher education institutions.

The SAC must meet at least biannually with BOR. Agendas for the meetings must be prepared and distributed beforehand and consist of matters recommended by the BOR chairperson, who also chairs the meeting, and the committee. SAC members may participate in discussions and deliberations but, except for the two student BOR members, cannot vote at such meetings.

#### *Faculty Advisory Committee*

The act also establishes a seven-member faculty advisory committee to BOR with three representatives each from CSUS and CTC and one from Charter Oak. It requires representatives and alternates to be elected by their respective constituent units' faculty senates for two-year terms. It requires the committee, on a rotating basis among its members, to elect its chairperson and vice-chairperson. One of two must be a CSUS member and the other a CTC member. The act requires the committee to (1) meet at least biannually with BOR, with the meetings subject to the same requirements as the SAC meetings, and (2) report annually, beginning January 1, 2012, to the Appropriations and Higher Education committees regarding the performance of its statutory functions and its meetings with BOR.

### §§ 216, 220, 227, & 231 — HIGHER EDUCATION CONSOLIDATION TRANSITION PERIOD

#### *Temporary Continuation of Existing Boards*

The act requires the existing CSUS and CTC boards of trustees and the BSAA to remain in office from July 1, 2011 until December 31, 2011 in order to facilitate the transition of duties and responsibilities to BOR. However, the BSAA and the existing boards of trustees cannot take any action after July 1, 2011 unless it is ratified by BOR.

The act also requires BOR, by December 1, 2011, to develop and implement a plan to maintain the constituent units' distinct missions. It must present the plan to the Appropriations and Higher Education committees by January 1, 2012 and continue to report annually on the plan.

#### *Higher Education Consolidation Committee*

The act establishes a Higher Education Consolidation Committee consisting of (1) the chairpersons, vice-chairpersons, and ranking members of the Appropriations and Higher Education committees and (2) the members of the Appropriations Committee's subcommittee on higher education. The Higher Education Committee co-chairpersons or their designees (who must be members

of the Higher Education Committee) convene the consolidation committee, which must establish a meeting and public hearing schedule to receive updates from the BOR president on the consolidation's progress. The committee must meet on or before September 15, 2011 and at least every two months thereafter until September 15, 2012.

The act requires the Office of Legislative Management and OFAAHE to enter into a memorandum of understanding providing that up to \$100,000 appropriated to OFAAHE must be used by the consolidation committee to hire a consultant to assist with its duties.

## §§ 228 & 229 — HIGHER EDUCATION COORDINATING COUNCIL

### *Duties*

Under existing law, the Higher Education Coordinating Council must develop accountability measures for each constituent unit and public institution of higher education. The act requires the council, in developing accountability measures, to also consider (1) completions, (2) allocation of resources across expenditure functions, (3) revenue and expenditures broken out by program, and (4) patterns of students transferring into and out of the constituent units.

The act requires the measures to be used to assess each public institution's, rather than each constituent unit's, progress towards meeting certain goals. It also requires the measures to be available for inspection and separated by constituent unit, institution, campus, and program.

Additionally, the act requires the council to work with DOL to (1) produce periodic reports on the employment and earnings of students who leave the constituent units, whether or not they graduated and (2) develop an annual affordability index for public higher education based on statewide median family income.

### *Membership and Reporting*

Under prior law, each constituent unit had to submit an accountability report to the DHE commissioner, who compiled them and submitted a consolidated report to the Education Committee. The act instead requires (1) each public institution of higher education to submit its report to the BOR president by November 1, rather than December 1, annually and (2) the consolidated report to be submitted to the Higher Education Committee by December 1, instead of February 1, annually.

The act also adds the BOR president to the council (replacing the DHE commissioner), removes the chairpersons of the constituent unit boards of trustees, and requires the OPM secretary to call an annual meeting of the council.

(PA 11-61, § 107, modifies the council's membership by adding to it (1) the chairpersons of BOR and the UConn board of trustees and (2) the BOR vice presidents for the constituent units.)

## §§ 232-269 — OFFICE OF FINANCIAL AND ACADEMIC AFFAIRS FOR HIGHER EDUCATION

*Duties*

The act creates a new OFAAHE and places it within BOR for administrative purposes only. The office is led by an executive director appointed by the governor and subject to legislative confirmation. It requires the new office to administer several programs previously administered by DHE and BGHE, including, among other things:

1. oversight of private occupational schools;
2. granting authority to independent institutions to confer academic degrees and licensing and accrediting programs and institutions of higher learning (subject to final approval by SBE);
3. approving entities that were granted authority to confer degrees before July 1, 1935, but that did not exercise it until after that date;
4. the alternate route to teaching certification program;
5. scholarship and financial aid programs for Connecticut students attending public and private colleges and universities; and
6. the student community service fellowship program.

(PA 11-61, §§ 112 & 114, require BOR, rather than OFAAHE, to (1) assist in providing tutors for certain students and (2) administer certain community service programs.)

*Private Occupational School Licensing Duties*

The act transfers authority for approving applications for, and renewals of, operating authority for private occupational schools, as well as for revising or revoking that authority, from the higher education commissioner and BGHE to OFAAHE and SBE, respectively. It makes several conforming changes to carry out this transfer.

Under the act, applications for private occupational schools must be submitted to the OFAAHE executive director, who must appoint an evaluation team to review the application. Under prior law, the team had to include at least one member for each area of occupational instruction proposed at the school and two representatives of BGHE. The act changes the two board members to two representatives of public higher education institutions.

The act requires SBE to adopt regulations to carry out the provisions of the occupational school licensing statutes. In addition, it requires the OFAAHE executive director to oversee the private occupational school student (1) benefit and (2) protection accounts.

*Licensing, Accreditation, and Degree-Granting Authority for Public and Independent Institutions*

The act establishes two separate processes for approving new academic programs in higher education institutions. It transfers, from BGHE to SBE, the responsibility for licensing and accrediting independent higher education institutions and their programs and for granting such entities authority to award academic degrees. Under the act, SBE's authority in this area does not apply to the programs offered by the state's public higher education institutions. Rather,

BOR has this authority over the public institutions, including UConn.

The act transfers most of the administrative responsibilities for licensing and accrediting independent institutions from BGHE and DHE to OFAAHE. It requires the office, rather than BGHE, to adopt implementing regulations and requires SBE to follow those regulations in evaluating and approving institutions and programs. It requires OFAAHE to investigate violations and allows it to ask the attorney general to sue to restrain or prevent violations and seek appropriate relief.

The act also requires the OFAAHE executive director to assume the higher education commissioner's previous authority to:

1. administer oaths and issue subpoenas in an investigation by the office,
2. serve notice of and assess administrative penalties for violating licensing and accreditation requirements, and
3. ask the attorney general to seek injunctions to prevent violations.

The act requires SBE, rather than BGHE, to hold a hearing on an appeal by anyone aggrieved by AN administrative penalty assessed by the OFAAHE executive director.

The act is unclear regarding BOR's role in approving academic programs in public institutions. It appears that BOR issues final approval for proposed programs, but it is unclear whether it is BOR or OFAAHE that performs the administrative responsibilities for program approval described above.

#### §§ 286-301 — CAMPAIGN FINANCE

The act modifies state election laws on campaign finance, the Citizens' Election Program (CEP), and the State Elections Enforcement Commission (SEEC). Concerning campaign finance, the act, among other things:

1. authorizes testimonial affairs in honor of a candidate, statewide officer, or General Assembly member to raise funds for a party committee, not just the candidate or public official;
2. authorizes campaign treasurers to use a bank or cashier's check to pay a television company for advertising costs, provided the treasurer maintains documentation showing the payment came from the candidate committee's funds; and
3. specifies that, for campaign finance purposes "candidate committee" means one for a candidate who participates (i.e., participating candidate) or does not participate (i.e., nonparticipating candidate) in the CEP, unless a provision clearly indicates otherwise.

With respect to the CEP, the act, among other things:

1. revises the grant application and payment schedule, giving the SEEC more time to review applications; and
2. revises the schedule for submitting supplemental campaign finance statements and reporting excess expenditures.

Concerning the SEEC, the act reduces term lengths for members and prohibits consecutive terms. It requires the commission to keep certain information about complaints and preliminary investigations confidential and restricts the number of legislative candidates it may audit after an election. It requires the commission to

list organization expenditures on its homepage and makes technical and conforming changes.

§§ 286 & 288 — *Campaign Contributions*

Existing law places limits on contributions made to benefit candidate committees, party committees, and political committees (known as PACs) and subjects the contributions to campaign finance reporting requirements. However, the law creates exemptions for certain items and services under the definition of contribution. Thus, these items and services need not be reported as contributions. The act expands the list of items and services that are not considered contributions. In certain instances, it applies the exemptions for party committees to slate committees and PACs.

*De Minimis Activities.* Existing law exempts from the definition of contribution certain de minimis campaign activities that benefit PACs and party, slate, and candidate committees, including those for participating and nonparticipating candidates. The act expands the list of de minimis activities to include:

1. receiving, not just sending, without compensation, e-mail or messages;
2. an individual using up to \$100 per election or calendar year, as applicable, in (a) personal items or services that are customarily associated with occupying a residence or (b) donated personal property customarily used for campaign purposes to benefit a candidate committee;
3. posting or displaying the name or names of one or more candidates at a town fair, county fair, local festival, or similar gathering by a party committee; and
4. voluntarily creating electronic or written communications, including ongoing content development and social media on the Internet or a phone.

Under the act, “social media” means an electronic medium where users may create and view user-generated content, such as uploaded or downloaded videos, still photographs, blogs, video blogs, podcasts, or instant messages.

*Volunteer Services and Travel Costs.* By law, volunteer services provided by individuals are not considered campaign contributions. The act specifies that the exemption applies when individuals provide volunteer services to party committees, PACs, slate committees, and candidate committees, including those for participating and nonparticipating candidates.

The act exempts as a contribution all travel expenses incurred by a volunteer. Under prior law, travel expenses over \$200 per election for volunteers to a single candidate and over \$400 per calendar year for volunteers to a state central or town committee were considered contributions. The act specifies that people are considered volunteers when they do not receive compensation for the services they provide, regardless of whether they did in the past or may in the future.

*Business Donations.* The act raises, from \$100 to \$200, the contribution exemption for donated goods and services by a business entity for a fundraiser. By law, the exemption applies to any committee.

*Ad Books and Advertising Space on Signs.* The act extends to advertising space on a sign at a fundraising affair the existing law’s ad book limits, i.e., \$250

for purchases by a business entity and \$50 for purchases by an individual.

*Discounted Food.* The act (1) raises the exemptions for discounted food and drinks sold to a candidate or party committee and (2) extends them to slate committees and PACs. Specifically, it raises the exemption from \$200 to \$400 for candidate committees and applies it separately to a single primary or general election. Prior law applied the exemption to a single election. The act also raises the exemption from \$400 to \$600 in a calendar year for party committees and applies it to slate committees and PACs.

*Donated Food.* Existing law exempts the cost of food and drink donated by an individual, up to a total of \$50, to be consumed at a single slate, candidate, legislative caucus, legislative leadership, or party committee meeting or event, other than a fundraiser. The act extends the exemption to PAC meetings and events.

*Food Sold by a Town Committee.* Existing law exempts the sale of food or beverages, up to \$50, sold by a town committee to an individual at a town fair, county fair, or similar mass gathering. The act extends this exemption to local festivals.

*Personal Property.* The act raises, from \$50 to \$100, the maximum allowable exemption for an item of personal property donated to or purchased at a committee's fundraising affair.

*Slate Cards.* The act changes the exemption for costs associated with preparing, displaying, or distributing slate cards, sample ballots, or other printed material that list the names of three or more candidates. Specifically, it eliminates the exemption for PACs and individuals, but extends it to slate committees. It retains the exemption for party committees.

*Security Deposits.* Existing law establishes a contribution exemption for security deposits made by an individual for a committee's phone service, provided he or she receives a refund. The act extends this exemption to cover security deposits to any utility company, such as an electric company.

*"House Parties."* The act:

1. raises the exemption for costs associated with hosting a house party (i.e., cost of invitations, food, drinks, and using real and personal property);
2. creates exemptions for two or more people hosting a house party, provided at least one resides at the residence where the party is held;
3. extends the house party exemption to a community room in a person's residential facility; and
4. extends the exemption to house parties given on behalf of a slate committee or PAC.

The act's exemption for an individual hosting a candidate party applies to a single event for one candidate during a primary or general election. Under prior law, the exemption applied to one candidate during an election cycle.

The act's exemption for an individual hosting an event for a party committee, slate committee, or PAC applies to a single event for one committee during a calendar year or a single election, whichever applies. Under prior law, the threshold applied to all party committees during a calendar year.

The act's exemption for two or more individuals hosting an event sets a

threshold for each event and also a threshold for each of the two individuals (e.g., one person may host multiple events per year or election with different people.) Table 6 shows the exemptions.

**Table 6: Maximum Exemptions for House Parties**

<b>"Donor"</b>	<b>Recipient: Individual Candidate</b>	
	<b>Prior Law</b>	<b>Act</b>
Individual Acting Alone	\$200 per candidate per single election	\$400 per event, per candidate, per election or primary
Individual Acting as Part of Two or More (see below)	N/A	\$800 per candidate per single election
Event hosted by Two or More People (at least one lives on the premises)	N/A	\$800 per event
<b>"Donor"</b>	<b>Recipient: Party Committee</b>	
	<b>Prior Law</b>	<b>Act</b>
Individual Acting Alone	\$400 for all party committees per calendar year	\$400 per event, per committee, per calendar year
Individual Acting as Part of Two or More (see below)	N/A	\$800 per committee per calendar year
Event hosted by Two or More People (at least one lives on the premises)	N/A	\$800 per event
<b>"Donor"</b>	<b>Recipient: Slate Committees and PACs</b>	
	<b>Prior Law</b>	<b>Act</b>
Individual Acting Alone	N/A	\$400 per event, per committee, per single election or calendar year, whichever applies
Individual Acting as Part of Two or More (see below)	N/A	\$800 per committee per single election or calendar year, whichever applies
Event hosted by Two or More People (at least one lives on the premises)	N/A	\$800 per event

N/A means not applicable.

*Joint Checking Accounts.* By law, campaign treasurers must equally divide campaign contributions from joint checking account holders who co-sign the check. The act creates an exception to the law by allowing the account holders to submit a written statement indicating how they want the contribution attributed.

*Anonymous Contributions.* The act changes the procedure for handling anonymous contributions by requiring campaign treasurers to remit those of any amount to the SEEC for deposit in the General Fund. Under prior law, treasurers had to remit anonymous contributions of more than \$15 to the state treasurer, who then deposited them in the General Fund.

*§ 290 — Reporting Organization Expenditures*

By law, organization expenditures are made by legislative caucus, legislative leadership, or party committees for the benefit of candidates or their committees. They are not considered campaign contributions.

Existing law requires each campaign finance statement that a legislative caucus, legislative leadership, or party committee treasurer files to include an itemized accounting of organization expenditures made to benefit participating legislative candidates. The act expands this requirement to also include organization expenditures made to benefit (1) nonparticipating legislative candidates and (2) all statewide office candidates.

Existing law, unchanged by the act, requires a committee that makes an organization expenditure to notify the benefitted candidate committee. The act eliminates the requirement that these notifications include the expenditure's amount and purpose. It also eliminates the requirement that the treasurer of the benefitted candidate committee file a statement with the SEEC listing the (1) committee that made the expenditure and (2) amount and purpose, if known.

Instead, the act requires the SEEC to post a link on its website's homepage listing all organization expenditures reported by any legislative leadership, legislative caucus, or party committee. The list must include information on the committee making the expenditure, the committee receiving the expenditure, and the expenditure's date and purpose.

*§§ 287 & 289-290 — Campaign Finance Statements*

Existing law requires the following committees and individuals to file periodic campaign finance statements with the SEEC: (1) candidate committees for statewide, legislative, and probate judge offices; (2) party committees; (3) individual lobbyists; and (4) PACs, other than those formed to aid or promote the success or defeat of a municipal referendum or municipal office candidates.

*Required Information.* The act eliminates a requirement for candidate committees, PACs, and party committees to include in their periodic campaign finance statements:

1. the total amount and denomination of money received from anonymous contributors;
2. the names of people who purchase items totaling \$100 or less at a fundraiser or food at a town fair, county fair, or similar gathering;

3. the names of people who donate food or beverages for a meeting; or
4. costs associated with permissible de minimis activities.

It requires these committees to include in their statements:

1. whether a person contributing over \$400 in the aggregate to a slate committee financing a candidate for chief executive officer of a town, city, or borough has, or is associated with, a business that has a contract valued at over \$5,000 with the town, city, or borough and
2. the name and address of any person or business that purchased ad space on a sign at a fundraiser and the aggregate amount.

The act specifies that treasurers need not retain receipts related to de minimis activities.

*Duplicate Reporting.* The act eliminates duplicate filing requirements for campaign finance statements. Specifically, it eliminates the requirement that (1) town committees file copies of reports with the applicable town clerks since they also file with the SEEC and (2) slate committees for the office of justice of the peace file a duplicate report with the SEEC since they also file with the applicable town clerk. It eliminates a requirement that individual lobbyists file with the SEEC since the law requires them to file periodic financial reports with the Office of State Ethics.

*Filing Exemption.* Under prior law, candidates in a primary or general election had to file periodic campaign finance reports, unless they were exempt. Certain candidates had to also file supplemental campaign finance statements. The act eliminates this dual filing requirement by allowing a supplemental statement to satisfy the requirement for the periodic campaign finance statement due to the SEEC on the seventh day before a regular election (see *Excess Spending and Reporting* below).

*Covered Period.* The act slightly expands the period that periodic campaign finance statements must cover but maintains existing deadlines for submitting them. Under the act, monthly statements must include information through 11:59 p.m. on the last day, rather than simply on the last day, of the month before the filing deadline. Statements required to be filed seven days before an election, primary, or referendum must include information through 11:59 p.m. on the second, rather than the seventh, day preceding the filing deadline.

*Timely Submission.* Under the act, to be considered timely, periodic campaign statements must not just be postmarked by the filing deadline, but the SEEC must receive them by a specified time on the filing deadline. To be deemed timely, the SEEC must receive hard copies by 5 p.m. and electronic submissions by 11:59 p.m. on the filing deadline. “Authorized electronic” methods include e-mail, fax, and SEEC-created web-based programs.

The act specifies that grant applications, supplemental campaign finance statements, and independent expenditure reports are considered timely when they are filed according to the procedures under existing law.

#### § 290 — *Certifying Contributions over \$50*

The law prohibits principals of state and prospective state contractors and their immediate family members from making contributions to (1) candidate and

exploratory committees for statewide and legislative candidates, (2) PACs authorized to contribute to these candidates, and (3) party committees. It places a \$100 limit on contributions to these committees from communicator lobbyists and their family members.

Under prior law, individuals who made such contributions that separately or in the aggregate exceeded \$50 had to certify that they were not a principal of a state or prospective state contractor. But they also had to certify that they were neither a communicator lobbyist nor the immediate family member of one, even though the law permits these individuals to make contributions of up to \$100.

The act changes this procedure by requiring individuals who make contributions exceeding \$50 to instead (1) provide their status as a communicator lobbyist, immediate family member of a communicator lobbyist, state or prospective state contractor, or such a contractor's principal and (2) certify that they are not prohibited from making a contribution to any of these candidates or committees. The law, unchanged by the act, requires them to also provide the name of their employer.

The act requires the SEEC to amend the sample form upon which certifications are made to include an explanation of the terms "immediate family," "state contractor," and "prospective state contractor." The form already explains "communicator lobbyist" and "principal of a state contractor or principal of a prospective state contractor."

The act requires treasurers to keep only one certification per contributor, unless non-financial information changes. Treasurers who deposit a contribution based on a certification have a complete defense in any action taken against them concerning the contribution, including any investigation that the SEEC initiates or conducts based on a complaint.

#### *§ 290 — Surplus Distributions and Post-Election Payments*

By law, candidate committees and political committees, other than ongoing PACs or exploratory committees, must spend or distribute surplus funds after (1) a primary if the candidate loses, (2) an election, or (3) a referendum.

The act extends the distribution deadline from January 31st to March 31st following an election or referendum held in November, unless a candidate uses the surplus to comply with a post-election audit by the SEEC. For these candidates, the act extends the distribution deadline from (1) within 90, to within 120, days after (a) an election or referendum not held in November or (b) a primary resulting in a defeat or (2) January 31st to June 30th following an election or referendum held in November.

*"Thank You" Parties.* The act authorizes participating candidates to host a meal after an unsuccessful primary or an election to acknowledge committee workers' efforts. The meal must be provided no later than 14 days after the primary or election, whichever is applicable. The cost for meals cannot exceed \$30 per worker.

*Treasurer Payment.* The act authorizes participating candidates to use any remaining funds after an election or unsuccessful primary to make a payment of up to \$1,000 to their campaign treasurer for services rendered. By law, candidates

may compensate without limitation (1) campaign and committee staff and (2) attorneys, accountants, consultants, or other professionals for services during a campaign.

*§ 291 — Exemption from Affidavit of Intent to Participate in the CEP*

By law, candidates who finance their campaigns entirely from personal funds or do not receive or spend over \$1,000 from other sources are not required to form a candidate committee and must attest to their eligibility for this exemption in a sworn statement. If these candidates do not intend to participate in the CEP, the act exempts them from the requirement to file an affidavit certifying their intent to abide or not abide by the program's spending limits. Like other candidates who do not intend to participate, they are called "nonparticipating candidates."

*§ 292 — CEP Qualifying Contributions (QCs)*

To participate in the CEP, candidates must qualify by raising a specified amount in small donations, known as QCs. The act specifies that "individuals" include sole proprietorships, thus allowing them to make QCs. In addition, it prohibits contributions by minors under age 12 from counting as QCs. By law, minors under age 18 can contribute a maximum of \$30 to (1) exploratory and candidate committees and (2) PACs and party committees in a calendar year.

*§§ 293 & 294 — CEP Grant Applications*

By law, each participating candidate and campaign treasurer must sign the CEP grant application. The application must include certain written certifications and a cumulative itemized accounting of all funds received, expenditures made, and expenses incurred but not yet paid. The act requires the itemized accounting to cover campaign finances as of three days preceding the date the application is actually filed, rather than three days before its filing deadline.

The act also (1) establishes (a) the first Wednesday, rather than Thursday, in May as the earliest date when participating candidates may apply for a grant and (b) subsequent Wednesdays, rather than Thursdays, for later application submissions; (2) extends, from four to five business days and from four to 10 business days, the time that the SEEC has to review most applications from legislative candidates and statewide office candidates, respectively; and (3) specifies that the SEEC will not review general election grant applications it receives during the seven business days before the final primary application deadline, until five or 10 business days, as applicable, after the next application deadline.

*§ 295 — Excess Spending and Reporting*

The act (1) revises the procedure for submitting supplemental campaign finance statements and for reporting excess expenditures, (2) deems candidates who submit supplemental campaign finance statements to have satisfied the campaign finance report filing requirement for seven days preceding a primary or election, and (3) requires supplemental statements to include the same

information as periodic campaign finance statements (see *Required Information*, above).

*Supplemental Campaign Finance Statements.* Under prior law, if a candidate in a primary or general election campaign with at least one participating candidate received contributions, loans, or other funds, or made or became obligated to make an expenditure that in the aggregate exceeded 90% of the applicable spending limit for the primary or general election period, his or her campaign treasurer had to file a supplemental campaign finance statement with the SEEC. Thereafter, the campaign treasurer for every candidate in the race had to file periodic supplemental campaign finance statements according to a specified schedule.

The act eliminates the 90% threshold. Instead, it requires the campaign treasurer of each candidate in a primary or general election campaign with at least one participating candidate to file weekly supplemental campaign finance statements:

1. for a primary campaign, on the Thursday following the July filing date set by law, and every subsequent Thursday, including the one before the primary and
2. for a general election campaign, on the Thursday following the October filing date, and every subsequent Thursday, including the one before the election.

The act eliminates the supplemental reporting requirement for candidates who spend under \$1,000. Those who spend \$1,000 or more are subject to the requirement. The act similarly eliminates the requirement for unopposed participating candidates, provided they file a supplemental statement on the last Thursday before a primary or general election, whichever applies. Supplemental statements must cover the first day not included in the last statement through 11:59 p.m. on the second day preceding the filing deadline.

*Excess Expenditures.* Under prior law, each campaign treasurer of a candidate in a primary or general election campaign with at least one participating candidate had to file a declaration of excess receipts or expenditures when the candidate committee received contributions, loans, or other funds, or made or became obligated to make an expenditure that, in the aggregate, exceeded 100% of the applicable spending limit. The treasurer had to do the same if the candidate had receipts or expenditures that, in the aggregate, exceeded 125%, 150%, or 175% of the applicable spending limit for the primary or general election.

The act eliminates the excess expenditure reporting requirement for nonparticipating candidates. For participating candidates, the act (1) bases reporting on their expenditures only and (2) eliminates filings at the 125%, 150%, and 175% thresholds.

The reporting schedule remains the same. A candidate who exceeds the applicable threshold must file the declaration of excess expenditures with the commission within 48 hours; one who exceeds the applicable threshold 20 or fewer days before the primary or election, must file the declaration within 24 hours.

The act specifies that declarations of excess expenditures must cover the first

day not included in the last statement through 11:59 p.m. on the first day preceding the filing deadline.

§§ 299-301 — SEEC

*Commission Members.* The act reduces the terms of SEEC members appointed on or after July 1, 2011, from five to three years. As of the same date, it prohibits members from serving consecutive terms, except sitting members may serve until their successor is appointed and qualifies.

*Complaints and Preliminary Investigations.* Unless the campaign treasurer, deputy treasurer, chairperson, or candidate affiliated with a committee that is the subject of a complaint or preliminary investigation by the SEEC requests otherwise, the act requires the commission to keep information concerning the complaint or investigation confidential until it determines that a full investigation is necessary.

*Audits.* The act prohibits the SEEC from auditing more than 50% of legislative candidate committees after an election or primary. It requires the SEEC to (1) randomly select by lottery the legislative candidate committees that it will audit, (2) audit all statewide office candidate committees, and (3) notify those committees of the audit no later than May 31 following the election for the office sought.

EFFECTIVE DATE: Most of the campaign financial provisions are effective January 1, 2012 and applicable to primaries and elections held on or after that date. Provisions on the SEEC and eliminating duplicate campaign finance statements for town committees are effective on passage, and those concerning payments to television companies are effective July 1, 2011.

§ 305 — PLACING CHILD UNDER AGE SIX OR SIBLING GROUP IN GROUP HOME

The act repeals a provision of PA 11-44 that generally prohibited the Department of Children and Families commissioner from placing any child under age six, or any sibling group including a child under that age, in a child care facility (group home).

§ 306 — REPEAL OF DOMESTIC TELEPHONE COMPANY ASSESSMENT FOR DEVICES FOR DEAF AND HEARING IMPAIRED

PA 11-44 (§ 38) (1) removes a 1992 deadline for telephone companies to pay assessments into a fund to help pay for telecommunication devices for the deaf and hearing impaired, (2) substitutes the new Bureau of Rehabilitative Services director for the Commission on Deaf and Hearing Impaired as the entity responsible for administering the fund, and (3) eliminates related obsolete provisions.

The act repeals the underlying law, which effectively eliminates the requirement that telephone and telecommunications companies that provide equipment to their customers (1) make special equipment to serve deaf and hearing impaired people available for rental or purchase and (2) take

responsibility for maintaining and repairing this equipment. Federal law imposes similar requirements on telecommunication companies and equipment manufacturers.

## BACKGROUND

### *Soldiers, ' Sailors ' and Marines ' Fund*

The SSMF is a self-sustaining trust fund created by the legislature in 1919 to provide benefits, such as food, clothing, medical, surgical, and funeral assistance to needy wartime veterans honorably discharged from active service in the U.S. Armed Forces, their spouses living with them or who lived with them when they died, and dependent children under age 18.

### *Planning Regions*

By law, OPM must designate local planning regions within the state (CGS § 16a-4a (4)). It has assigned towns to each of 15 designated planning regions. Through local ordinance, the municipalities within each of these planning regions have voluntarily created one of the three types of regional planning organizations to carry out a variety of regional planning and other activities on their behalf.

Starting by January 1, 2012, the law requires the OPM secretary to analyze regional boundaries at least once every 20 years and redesignate them if necessary. Before doing so, he must develop criteria to evaluate how urban centers affect neighboring towns. At a minimum, the criteria must evaluate environmental and economic development trends, including housing, employment levels, commuting patterns for the most common types of jobs, traffic patterns on major roads, and changes in how people see social and historic ties. The criteria must also specify a minimum size for logical planning areas based on the number of municipalities, total population, and total square mileage (CGS § 16a-4c).

### *Administrative Per Se Suspensions*

These are suspensions the DMV commissioner must impose on drivers who refuse to submit to a test or whose test results indicate an elevated BAC; they are in addition to any suspension penalties imposed for conviction of any criminal DUI charge. By law, the commissioner must suspend the license of a person with a BAC of between 0.08 and 0.16 for 90 days for a first offense; nine months for a second offense; and two years for a third or subsequent offense. The license suspension period for a driver who refuses to take a test is six months for a first offense, one year for a second offense, and three years for a third or subsequent offense.

### *DUI Convictions*

The law considers a subsequent DUI conviction one that occurs within 10 years of a prior conviction for the same offense. In practice, a driver's first DUI conviction is usually for the driver's second violation. By law, an individual charged with DUI, or, if under 21, operating a vehicle with a BAC of .02% or

more, may apply to the court for admission to a Pretrial Alcohol Education Program (CGS § 54-56g). The applicant must state under oath that he or she has not been in the program in the preceding 10 years, or ever, if under age 21. The court must dismiss the DUI charges if the driver satisfactorily completes the program.

*“Safe Harbor” Under the No Child Left Behind Act*

Connecticut’s education accountability law (CGS §10-223e) and the federal NCLB Act (P.L. 107-110) impose sanctions on schools and school districts that fail to make AYP towards proficiency in specified subjects for all students, including those in identified subgroups (economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency (LEP)). The determination of AYP is based on measurable objectives, including student performance on annual statewide tests.

Under the federal law, in order for a school or a school district to make AYP, both of the following must happen each year:

1. all students and the students in each subgroup must meet or exceed the state’s measurable objectives and
2. at least 95% of both the school’s total enrollment and the students in each subgroup must take the tests (with allowable accommodations and alternative assessments for certain LEP and disabled students).

The so-called “safe harbor” provision provides an exception to the first of these requirements. It provides that, if any of the subgroups does not meet the objectives, the school must still be considered to have made AYP for the year if (1) the percentage of students in the subgroup who did not reach proficiency declined at least 10% from the year before and (2) the subgroup also made progress on one or more of the state’s other non-test indicators.

*Related Act*

PA 11-51 contains ignition interlock provisions identical to those in §§ 51-57 & 307 of this act.

OLR Tracking: TA:various:JSL:ro